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DPRK-U.S. Geneva Talks 'Will Be Suspended'

OW0907074094 Tokyo KYODO in English 0704 GMT 9 Jul 94

[Excerpts] Tokyo, July 9 KYODO—North Korea's supreme leader Kim Il-song died of a heart illness Friday at the age of 82, Pyongyang's official media reported Saturday, leaving uncertain the fate of bilateral and international efforts for peace on the divided Korean peninsula.

Radio Pyongyang reported Kim's death, which came at 2 A.M. Friday, in a special broadcast at noon Saturday, saying the North Korean president collapsed Thursday with a heart attack. [passage omitted on DPRK coverage of Kim's death]

In Geneva, a North Korean official told KYODO NEWS SERVICE the third round of high-level talks between the U.S. and North Korea scheduled for Saturday will be suspended. [passage on Clinton remarks omitted]

Also in Naples, Japan's Foreign Minister Yohei Kono, expressed hope Kim's death will not affect the situation over the Korean peninsula.

"I hope the latest event will not badly affect the peace and stability on the Korean peninsula," Kono said in a statement.

The Japanese foreign minister exchanged views on the situation on the Korean peninsula in an emergency telephone conversation with his South Korean counterpart, Han Sung-chu, at 2:30 P.M. Japan time. [passage omitted on CNN report on Kim's death]

UN Envoy: DPRK To Honor Nuclear Promise

OW1207040794 Tokyo KYODO in English 0354 GMT 12 Jul 94

[Text] New York, July 11 KYODO—North Korea will continue to honor a commitment made by its former leader Kim Il-song to freeze its nuclear program, a high-ranking North Korean official at the United Nations said Monday.

North Korea's Deputy Permanent Representative to the United Nations Kim Su-man told KYODO NEWS SERVICE that despite the death of Kim on Friday, his country will continue to freeze its nuclear program as part of its commitment to further talks with the United States concerning its refusal to allow international inspections of its nuclear facilities.

High-level talks between North Korea and the U.S., in Geneva, were suspended on the death of Kim last Friday, and attention has focused on whether the talks will resume, since the U.S. has insisted that a freeze in the North's nuclear program is an essential prerequisite.

Kim Su-man said International Atomic Energy Agency officials will be allowed to remain in Yongbyon, some 90 kilometers north of Pyongyang, where North Korea maintains an experimental reactor. He also said fuel rods taken from a 5-kilowatt reactor there will not be reprocessed or replaced.

Kim said North Korea's nuclear program is for peaceful purposes and there is no need to freeze its operations, but said his country will respond to the U.S. request in a bid to ensure that the talks take place. Kim also described the suspension of the Geneva talks as temporary. He said the talks can resume once the official period of mourning for Kim Il-song is over, on July 17.

But Kim said that with the death of the North Korean leader, there is no option but to postpone a planned summit between the leaders of the two Koreas.

Labor Union Conference Criticizes 'Multinationals'

OW0107074894 Tokyo KYODO in English 0719 GMT 1 Jul 94

[Text] Tokyo, July 1 KYODO—Labor union representatives from the Asia-Pacific region said Friday [1 July] that multinational corporations are contributing to the undermining of living conditions and human rights and damaging the environment in the region.

Delegates to the Asia-Pacific trade union symposium on "Workers' Rights, Human Rights and the Democratic Control of Multinationals" at Izunagaoka in Shizuoka Prefecture, criticized the operations of transnational corporations in the region in a press release issued at the close of the three-day symposium.

Some 130 people from Australia, India, Indonesia, Japan, South Korea, Malaysia, Thailand and the United States attended the symposium organized by the National Confederation of Trade Unions (Zenroren), a national federation of labor unions affiliated with the Japanese Communist Party.

It accused multinationals of promoting "deindustrialization" in their home countries and exploiting worse living and working conditions in host countries.

The meeting also unanimously adopted an appeal protesting the Indonesian Government's ban on the news magazines TEMPO and EDITOR and the tabloid DETIK.

The Indonesian Government banned the publications on June 19, accusing them of ignoring "oral or written warnings" after they published articles on the activities of former senior ministers and the purchase of 39 warships by Minister [of State] of Research and Technology Bacharuddin Jusuf Habibie.

Japan

G-7 Summit Avoided Credit Policy Talks

OW1207042394 Tokyo KYODO in English 0413 GMT 12 Jul 94

[Text] Tokyo, July 12 KYODO—Finance Minister Masayoshi Takemura said Tuesday that credit policies were not directly discussed by finance ministers of the Group of Seven (G-7) nations in Naples over the weekend. Takemura said, however, that he did not rule out the possibility of policy cooperation in the near future.

The G-7 finance ministers agreed to take further macroeconomic measures to stop the dollar's fall, but did not directly touch on interest rates, Takemura told reporters after a morning cabinet meeting.

Takemura suggested that the United States and Germany were reluctant to coordinate credit policies because they decided just before the G-7 summit to keep their policy stance unchanged.

The U.S. federal Open Market Committee decided not to tighten its credit policy further, and the German Bundesbank ruled out further interest rate cuts.

Bank of Japan Governor Yasushi Mieno in a press conference before the summit also rejected further rate cuts as a measure to stem the yen's rise while rapping a reported demand by U.S. Treasury Secretary Lloyd Bentsen for lower rates in Japan and Germany.

Asked why the G-7 nations are not undertaking joint market intervention to stem the dollar's renewed tailspin after the weekend summit, Takemura said he is not supposed to comment on such action. But "generally speaking," he said, "further policy cooperation was agreed on." "We are making efforts for stable rates through close contacts" with G-7 partners, he said.

Takemura said he "regrets" the speculative currency movements despite "mutual views" voiced by the G-7 finance ministers, and noted that many cabinet ministers expressed concerns over the yen's rise at the morning meeting.

Repeating the oral statement by the finance heads, he stressed that the recent currency rates are "not in line with economic fundamentals and are undesirable and unjustified."

With market players finding no specific measures in the G-7 message, the dollar plunged sharply to new lows against the German mark and to yet another postwar low of 96.95 yen in New York overnight.

Takemura said the yen's rise reflected heavy dollar selling against the German mark, brushing off any trend of the yen appreciating alone against the dollar and other major currencies. He also stressed that the statement was "meaningful" particularly in pointing to the recent unwanted trend of a weaker dollar.

In line with the macroeconomic cooperation agreed at the summit, Takemura said Japan will concentrate its efforts on reducing its current account surplus by boosting domestic demand and widening market access to foreign goods and services through deregulation.

But he stopped short of indicating any intention to take additional fiscal measures, reiterating the importance of steadily implementing the just-enacted fiscal 1994 budget and the still- remaining portions of the fiscal 1993 supplementary budget, that finances large parts of the 15.25 trillion yen stimulus package adopted in February. He also cited the promised continuation of the 6 trillion yen tax cuts which are at present limited to the current fiscal year.

G-7 Did 'Not Come to Grips' With Currency Issue

OW1207025694 Tokyo KYODO in English 0246 GMT 12 Jul 94

[Text] Tokyo, July 12 KYODO—Prime Minister Tomiichi Murayama said Tuesday [12 July] leaders of Group of Seven (G-7) industrial nations could not come to grips with the foreign exchange problem at their weekend summit in Naples.

Murayama told reporters the G-7 leaders did discuss various measures to stabilize foreign exchange rates and agreed to cooperate. "But the problem is a matter to be dealt with by finance ministries and central banks," he said.

U.S. Official Interviewed on Framework Talks

OW1207134694 Tokyo NHK General Television Network in Japanese 1000 GMT 12 Jul 94—FOR OFFICIAL USE ONLY

[Interview with U.S. Undersecretary of Commerce for International Trade Jeffrey Garten by unidentified NHK reporter in Tokyo on 12 July; in English with Japanese translation provided in subtitles; from the "NHK News 7" program—recorded]

[Text] U.S. Undersecretary of Commerce for International Trade Jeffrey Garten, who is visiting Japan, granted an interview to the NHK on 12 July. In it he explained his understanding that any Japan-U.S. framework talks agreement must include an auto parts purchase plan by Japanese auto makers if it is to bring the negotiations on automobiles an auto parts to a conclusion.

Japan-U.S. trade talks are being held to find ways to correct Japan's trade imbalance with the United States. The talks give priority to three trade areas: Automobiles and autoparts, government procurement, and insurance. However, as we have reported, the framework talks are currently suffering a rough passage. Mr. Garten is in charge of vice minister-level talks on automobiles and auto parts.

In the interview, Mr. Garten said automobiles and auto parts represented one of the most difficult areas for agreement in the bilateral trade talks because of the involvement of private companies.

[Begin Garten recording] We have not said that it is the Japanese Government that should commit itself to the purchase of autoparts. After all, the Japanese Government does not buy the autoparts. Only the auto companies do. And I think also that, both in our country and in Japan, the government has some influence more broadly over economy. So, we do not ask the Japanese Government to do what it cannot do. But, when the agreement is final, we need to see some results in the purchase of parts on the question of more opportunities for U.S. firms in Japan provided, and this is very important, provided that the U.S. firms are competitive, and provided that they make all the efforts that they should. We are not asking for something free. [end recording]

In this way, Mr. Garten indicated that an auto parts purchase plan by Japanese automakers should be included in items to be agreed by both sides. Asked what kind of criteria should be introduced to measure progress in the Japanese market opening program, Mr. Garten said Japan and the Untied States were gradually narrowing their differences on this point.

[Begin Garten recording] We have no targets. There is a difference between measuring after something has happened to get an accurate picture of the progress, and having a target, which is something of a number in the future that you have to reach. There are no targets in these agreements. But what we want to do is to be able to keep track of progress as it happens. [end recording]

Vice ministerial talks on automobiles and auto parts will be held on 14 July. After that negotiations on liberalization of markets in individual areas, including government procurement and insurance, will be held one after the other. The U.S. Government plans to decide by the end of September whether or not it will begin procedures against Japan under the Super 301 provision of the 1988 Omnibus Trade Act, which can invoke sanctions. Japan wants to bring the trade talks to a successful conclusion and will be keeping the U.S. deadline in mind as they work toward it.

Construction Ministry Simplifies Import Inspections

OW1107084694 Tokyo KYODO in English 0806 GMT 11 Jul 94

[Text] Tokyo, July 11 KYODO—The Construction Ministry said Monday [11 July] it has simplified quality inspection procedures for imported construction materials such as cement, steel and macadam for use in civil engineering projects.

The simplified procedures, part of economic deregulation, are intended to cut Japan's high public works construction costs, ministry officials said.

They apply to public works construction projects of the national government, local government and government-backed organizations.

All imported construction materials for use in civil engineering projects must meet official standards and have been subject to quality inspections by the ministry for each project.

Under the revised procedures, a quality certificate for a construction material is good for a year.

This makes it possible to use the material in a number of projects while the certificate is valid, ministry officials said.

Igarashi Blames Yen's Rise on Speculators

OW1207043294 Tokyo KYODO in English 0426 GMT 12 Jul 94

[Text] Tokyo, July 12 KYODO—Chief Cabinet Secretary Kozo Igarashi Tuesday blamed the continued appreciation of the yen on the Tokyo foreign exchange market on currency speculators. The dollar hit a postwar Tokyo low of 97.25 yen at one point in the morning.

Igarashi told reporters he does not think the current yen-dollar exchange rate is appropriate, adding that the dollar's fall against the German mark contributed to the yen's rise.

Japanese monetary authorities will cooperate with other industrial countries to stabilize the foreign exchange market, the top government spokesman said.

Former Coalition Strategist Ozawa To Visit U.S.

OW1207120494 Tokyo KYODO in English 1122 GMT 12 Jul 94

[Text] Tokyo, July 12 KYODO—Ichiro Ozawa, the top strategist of the former coalition government under Prime Minister Tsutomu Hata, will visit the United States to lecture at the National Press Club in Washington on July 28, his office announced Tuesday [12 Jul].

A detailed schedule has not been fixed and he has not planned to meet important political figures, the office said.

Ozawa had considered visiting the U.S. in late March to give a lecture and hold discussions with U.S. Government leaders including President Bill Clinton, in an effort to resolve trade disputes between Japan and the U.S.

But the politician gave up the plan, stating, "the media would make a fuss."

Ozawa reportedly pulled the strings of the former coalition governments of Prime Minister Morihiro Hosokawa, between August of 1993 and April of this year, and Prime Minister Hata, from April to June.

Tokyo, Washington To Cooperate on Optoelectronics

OW1207135594 Tokyo KYODO in English 1336 GMT 12 Jul 94

[Text] Tokyo, July 12 KYODO—Japan and the United States have agreed to cooperate in the field of optoelectronics to promote development of future computers, the Ministry of International Trade and Industry said Tuesday [12 Jul].

Officials said that starting in October, computer engineers from both countries will be given access to information and actual optoelectronic devices developed by the two nations.

They hoped the measure will contribute to promoting studies on four-dimensional computer systems.

Murayama, as SDPJ Chairman, Sends Kim Telegram

OW1207135394 Tokyo KYODO in English 1334 GMT 12 Jul 94

[Text] Tokyo, July 12 KYODO—Prime Minister Tomiichi Murayama sent a telegram of condolence on Tuesday [12 Jul] to the North Korean Workers' Party over the death of President Kim Il-song in the name of the chairman of the Social Democratic Party (SDP) of Japan [SDPJ], party officials said.

The telegram, sent through the General Association of Korean Residents in Japan, said, "we offer our condolences from the heart with deep sorrow" on the sudden death of the "great leader" Kim.

According to protocol, Japanese prime ministers do not send consolatory telegrams on the death of a leader in countries with which Japan has no diplomatic relations.

Some SDPJ cabinet members cautioned against the action, pointing to possibly undesirable diplomatic repercussions.

But Murayama went ahead with the telegram in order to underscore the traditional close ties between the SDPJ and the Workers' Party, party insiders said.

He wanted to soften any impact on bilateral ties his pledge to cooperate with the United States and South Korea in the dispute over Pyongyang's nuclear program might have, they said.

"We hope the long-standing friendly relations between our party and the Workers' Party will develop further," Murayama's message said.

Officials Comment on Kim Il-song's Death

OW0907070094 Tokyo KYODO in English 0645 GMT 9 Jul 94

[Text] Tokyo, July 9 KYODO—Japan expressed hope Saturday [9 July] that the death of North Korean leader Kim Il-song will not have a negative influence on peace and stability on the Korean peninsula.

In a statement issued at a news conference, Chief Cabinet Secretary Kozo Igarashi offered condolences on the North Korean leader's death and said the Japanese Government wants to closely watch developments following Kim's death.

Pointing out that high-level talks between the United States and North Korea on Pyongyang's nuclear dispute just reopened Friday in Geneva while the historic inter-Korean summit meeting was scheduled to begin July 25, Igarashi said Japan hopes Kim's abrupt death would not have a negative impact on the situation of the Korean peninsula.

Japan has not received any reports so far indicating changes in the North Korean situation, Igarashi said, but added that the government wants to collect further information.

Meanwhile, in Naples, Foreign Minister Yohei Kono issued a statement saying Japan will continue to seek further information on the incident.

Kono and is South Korean counterpart, Han Sung Joo, spoke on the telephone Saturday, Foreign Ministry sources said.

Earlier in the day, the Japanese Government convened an emergency meeting to discuss ways to cope with the latest development.

Igarashi, Deputy Chief Cabinet Secretary Nobuo Ishihara, Vice Foreign Minister Kunihiko Saito, and Yutaka Kawashima, head of the ministry's Asian Affairs Bureau, were among those who attended the meeting at the prime minister's official residence.

The government ordered the Japanese Embassy in Beijing to confirm Kim's death and gather further information.

Saito told reporters he thinks the report of Kim's death is true because Radio Pyongyang has reported it, but that the ministry is currently trying to confirm the death.

Pyongyang After Kim's Death Described as 'Grim'

OW1207063894 Tokyo KYODO in English 0617 GMT 12 Jul 94

[Text] Niigata, Japan, July 12 KYODO—The first group of pro-Pyongyang Korean residents of Japan to arrive from North Korea since the country's leader Kim Il-song died Friday [8 July], spoke Tuesday of the grim mood in the nation following Kim's death.

The group comprised 182 passengers aboard the North Korean vessel Mangyongbong which arrived at Niigata port from North Korea on Tuesday morning, flying its flag at half-mast.

Officials from the Immigration Bureau and the General Association of Korean Residents in Japan (Chongnyon) met the group at the wharf. All of the arriving passengers appeared subdued and had mourning insignia attached to their clothing. Most chose to ignore the reporters waiting for them at the wharf.

Kim Dong-sik, 58, a construction worker from Amagasaki, Hyogo Prefecture, said he witnessed tearful citizens gathered around a statue of Kim Il-song in Pyongyang. "I heard about his death when I was at a hotel four or five kilometers from the statue, but there were people massed all the way from the front of the hotel to the statue," Kim said.

Li Yong-hwa, a 21-year-old fourth-year student at a North Korean University in Tokyo said he could hardly believe that Kim had died, despite seeing the news in special editions of newspapers. "North korea's economy is not as big as Japan's, but it will be all right," Li said. "But Kim was someone all the North Korean people needed."

An official from Chongnyon's Niigata Branch said shops are open as normal in North Korea, but people are wearing mourning dress and flags are at half-mast.

Cabinet Said To Support DPRK Crisis Management

OW1207120094 Tokyo KYODO in English 1112 GMT 12 Jul 94

[Text] Tokyo, July 12 KYODO—Defense Agency chief Tokuichiro Tamazawa said Tuesday [12 Jul] his cabinet colleagues judged "appropriate" the measures he took to prepare for a possible crisis in the aftermath of the death of North Korean leader Kim Il-song.

Press reports had been criticizing Tamazawa, a member of the Liberal Democratic Party (LDP), for awaiting further developments at home instead of going to the agency right away.

Tamazawa said after receiving the news of Kim's death shortly past noon on Saturday that he immediately phoned Chief Cabinet Secretary Kozo Igarashi urging him to give instructions "to watch the course of event with composure."

"I told him we wanted to take all possible measures to collect information, making sure that nothing was overlooked concerning our national defense," Tamazawa told reporters after a discussion with several cabinet colleagues following a regular cabinet meeting.

Having gained Igarashi's approval, Tamazawa gave relevant instructions to the Self-Defense Forces, he said.

At the time Tamazawa was at his apartment at a legislators' dormitory. Tamazawa said he decided to stay there, as no unusual movements were reported from North Korea.

He said his cabinet colleagues backed his management. "The measures you took were appropriate," Tamazawa quoted them as saying.

MITI To Publish Guidebook on PRC Auto Industry

OW1207081594 Tokyo KYODO in English 0746 GMT 12 Jul 94

[Text] Nagoya, July 12 KYODO—A body affiliated with the Ministry of International Trade and Industry said Tuesday [12 Jul] it will publish a guidebook on the Chinese auto industry on Wednesday next week.

The Central Japan Industrial Association, which plans to publish 300 copies of its book titled "All About the Chinese Auto Industry," said it has already received more than 100 orders from domestic auto industries, banks, life insurers, trading companies and think tanks.

Edited by a senior analyst at the Chinese Development Institute, the book give details on current issues in the Chinese auto industry and how Japanese auto companies can enter the market there.

It also covers the Chinese tax system and the country's measures to promote foreign investment.

Since information on the Chinese auto industry has been scattered, a comprehensive book on the auto industry had long been in demand among Japanese auto companies looking to invest in China.

Hokkaido, Sakhalin Agree To Form Fishery Panel

OW1107233694 Tokyo KYODO in English 2315 GMT 11 Jul 94

[Text] Yuzhno-Sakhalinsk, Russia, July 12 KYODO—Japan's Hokkaido Prefectural Government and the Russian Provincial Government of Sakhalin have agreed to set up a committee for working out an agreement on bilateral cooperation in the fisheries industry.

The accord was struck at a meeting Monday between Hokkaido Gov. Takahiro Yokomichi and the governor of Sakhalin. The two met at Yuzhno-Sakhalinsk airport, officials said.

The committee will discuss Russian proposals to step up fisheries cooperation in the waters surrounding four disputed Russian-held islands, tighten control over fisheries resources and receive Japanese assistance in developing the Russian fisheries industry, they said.

The Sakhalin side requested the Hokkaido Government to arrange for Hokkaido-based businesses to participate in construction of a terminal at the Yuzhno-Sakhalinsk airport, they said.

Yokomichi is currently visiting to mark the planned inauguration next spring of a regular air route linking the southern Hokkaido city of Hakodate and Yuzhno-Sakhalinsk. Yokomichi flew in Monday and will stay until Thursday for talks with local officials.

First Cruise Ship to Kamchatka Leaves Port

OW1107040994 Tokyo KYODO in English 0349 GMT 11 Jul 94

[Text] Kushiro, Japan, July 11 KYODO—A Japanese cruise ship left Kushiro, Hokkaido, Monday [11 July] for Petropavlovsk- Kamchatskiy on the Kamchatka Peninsula on the first cruise there since the end of World War II, shipping company officials said.

Russia has up to now severely restricted visits by foreign ships to Petropavlovsk-Kamchatskiy, as the main base of the Russia's Pacific Fleet is located there, the officials said. A naval nuclear submarine base and a civilian port share the bay, but are separated by a cape.

Some 100 passengers are on board Oceanic Grace, 5,218 tons, of Showa Line, Ltd. for an eight-day cruise to Kamchatka. Showa Line said it had been planning the cruise for three years.

Last month the leakage of radioactive waste was reported from a facility of the Russian Pacific Fleet outside Petropavlovsk- Kamchatskiy. However, the shipping company decided to conduct the planned cruise as they judged the reported leakage would not affect the voyage, company officials said.

Oceanic Grace is scheduled to arrive in Petropavlovsk-Kamchatskiy on Thursday morning. The passengers will go sightseeing in the city and visit volcanoes in the area, the officials said. The cruise ship will leave the port on Friday night.

Some 20,000 Japanese people worked in fishing and the marine product industry on the Kamchatka Peninsula in the late 1920s.

Extraordinary Diet Session To Start 18 Jul

OW1207083294 Tokyo KYODO in English 0803 GMT 12 Jul 94

[Text] Tokyo, July 12 KYODO—The coalition government officially decided Tuesday [12 Jul] to convene a five-day extraordinary Diet session from July 18 to hear Prime Minister Tomiichi Murayama's inaugural policy speech.

Murayama, the first Social Democratic Party [of Japan] (SDP) [SDPJ] premier since 1947, will deliver his keynote speech before both houses of the Diet on July 18, government officials said.

Ruling and opposition parties also agreed to hold a question-and- answer session following Murayama's speech on July 20 and 21.

Murayama is also likely to receive questions from representatives of the ruling and opposition parties at the House of Representatives on July 21 and 22, the government officials said.

The coalition government is made up of the SDPJ, the Liberal Democratic Party (LDP) and New Party Sakigake [Harbinger].

Also on the agenda will be Murayama's briefing on the Group of Seven (G-7) summit meeting which ended last weekend in Naples, Italy.

The government has already agreed to postpone to a later Diet session deliberations on bills for a new lower house election system until after a government panel completes a new electoral map defining the borders of 300 new single-seat constituencies.

After being elected prime minister in the Diet on June 29, Murayama said he wants to hold the next general election under the new single-seat and proportional representation system, which will replace the present multi-seat system.

Construction Minister on Security, DPRK

OW1007142994 Tokyo FNN Television Network in Japanese 2328 GMT 2 Jul 94

[Editorial Report] Tokyo FNN Television Network in Japanese at 2328 GMT on 2 July during its weekly "News 2001" program, carries a live 17-minute interview with Construction Minister Koken Nosaka from the Social Democratic Party of Japan (SDPJ). Nosaka, who is at a studio in Kudan, is interviewed by FNN announcers Yuji Kuroiwa and Megumi Seki, freelance political commentator Kenichi Takemura, and MAINICHI SHIMBUN editorial adviser Takao Iwami from the FNN studio in Tokyo.

At first, Kuroiwa asks Nosaka to speak as a close aide to Prime Minister Tomiichi Murayam and not as the construction minister. Noting that the general public is anxious about how the prime minister from the SDPJ will deal with such issues as diplomacy and security and that the prime minister opposes the Japan-U.S. security arrangements, Kuroiwa questions whether or not the prime minister will be able to establish a relationship of trust between Japan and the United States.

Nosaka says the SDPJ has clearly stated its intention to establish a friendly Japan-U.S. relationship based on the Japan-U.S. security pact. He adds: "The SDPJ's opposition to the Japan-U.S. security treaty is history. We have now made clear our position of seeking the mutual security system based on the treaty."

Kuroiwa asks: "Do you mean that the SDPJ has changed its policy?"

Nosaka replies: "We have shared the view with both the former coalition government and the Liberal Democratic Party that the Japan-U.S. security system will be built around the treaty."

Touching on the DPRK issue and Japan's crisis-control system, Kuroiwa asks whether or not food and fuel supply to U.S. vessels in case economic sanctions are imposed on the DPRK violates the Japanese Constitution. Nosaka says: "The SDPJ does not think of emergency defense legislation. We think the prime principle is to persistently seek peace through dialogue. If the United Nations approves economic sanctions, we intend to provide our utmost cooperation. So, we have to supply water and other goods (to U.S. vessels)." He adds: "I think underway replenishment is within the framework of the Constitution."

Asked about the possibility of Japan-U.S.-ROK sanctions against the DPRK without UN resolutions, Nosaka notes the need to discuss with other Asian nations concerned, including China. He says: "If Japan, the United States, and the ROK do that without UN decisions, this is very questionable. I think we have to follow UN decisions."

When Kuroiwa asks if Japan intends to raise objections in case the United States brings up such an issue at the forthcoming Japan- U.S. summit, Nosaka says: "I think (Japan) will clearly state (its position). I think we have to say 'No.'"

Kuroiwa asks: "Will Mr. Murayama himself say that?"

Nosaka says: "I do not know. I have not asked him."

Noting that leftist parties are regaining power in European countries, Takemura states it is only natural for the SDPJ to have changed its policy. When asked by Iwami if the SDPJ has really changed itself, Nosaka asserts that, now that the Cold War structure has collapsed, the party needs to take realistic views while entertaining an ideal.

The participants then talk about how the SDPJ has changed and will change. Nosaka notes a party resolve to change itself to meet public expectations.

Turning to tax and administrative reform, Kuroiwa asks if the SDPJ intends to change its stance of opposing administrative reform. Nosaka says the party will change its stance. He states that since the private sector is now having a hard time of restructuring, government ministries and agencies should also carry out restructuring and administrative reform before raising indirect taxes.

When asked if the SDPJ is determined to promote administrative reform, Nosaka says: "Although labor unions may voice strong opposition, we will thoroughly discuss them on the point and will promote administrative reform." Nosaka states that if the government easily decides to increase the consumption tax, it will not gain public support. He says the SDPJ is now promoting decentralization to make Japan better.

When asked by Iwami if the SDPJ is determined to promote administrative reform, Nosaka says the party has a resolution. Stating it may take time to carry out administrative and tax reform, Nosaka says the SDPJ intends to make utmost efforts.

The interview with Nosaka concludes at 2345 GMT.

EPA Director Plans More Stimulus Measures

OW1207035594 Tokyo KYODO in English 0347 GMT 12 Jul 94

[Text] Tokyo, July 12 KYODO—Japan's economic planning chief suggested Tuesday that the government may take additional pump-priming measures if the yen's recent rapid rise is proved to weigh on the emerging economic recovery.

Masahiko Komura, director general of the Economic Planning Agency (EPA), told a press conference after a regular cabinet meeting, "I think there is some truth in taking some measures because a new factor of the yen's quick gain arose after the approval of the fiscal 1993 budget." Cabinet members recognize danger that the yen's sharp rise may threaten corporate profits and the economic recovery, Komura said.

Among possible measures, Komura cited additional public works spending and some steps for small-and medium-sized companies. At the same time, Komura pointed to the need for thorough studies of possible effects of a strong yen before drawing up additional economic stimulus measures.

The government has its hands full just implementing the budget and the already agreed pump-priming package at the present time, he said. Komura expressed his hopes and opinion that the current upward pressure on the yen may not last long and, from a long-term point of view, the dollar-yen exchange rate will stabilize in line with fundamentals of Japan and the United States.

Finance Minister's Tax Stance Criticized

OW1207045394 Tokyo KYODO in English 0430 GMT 12 Jul 94

[Text] Tokyo, July 12 KYODO—A government source Tuesday [12 July] criticized Finance Minister Masayoshi Takemura's suggestion that income and other tax cuts and a raise in the consumption tax from the present 3 percent may be implemented under separate bills.

The source said the suggestion made Monday is "impossible" since the tax cuts and hike are "inseparable" under the proposed tax reforms.

Time Lag Between Tax Cuts, Hikes 'Inevitable'

OW1107130394 Tokyo KYODO in English 1224 GMT 11 Jul 94

[Text] Tokyo, July 11 KYODO—Japan may implement a consumption tax hike well beyond the time frame of the already implemented income tax cut program, though discussing both as a comprehensive tax reform package, Finance Minister Masayoshi Takemura suggested Monday [11 July].

"A time lag is inevitable between the implementation of tax cuts and hikes," Takemura told reporters just after returning from the summit of the Group of Seven (G-7) leading industrialized nations which ended Sunday in Naples, Italy.

Takemura denied a foreign press report that Prime Minister Tomiichi Murayama told U.S. President Bill Clinton his government is not considering raising taxes at the moment, during a bilateral meeting before the G-7 summit.

"What I told them," Takemura said, "is that we will discuss tax cuts and hikes as a complete package to be concluded by the end of this year, but at this moment, specific figures on tax increases such as scale, content and timing have yet to be decided."

Agriculture Minister Interviewed on Rice Prices

OW1107122594 Tokyo NHK General Television Network in Japanese 1032 GMT 7 Jul 94—FOR OFFICIAL USE ONLY

[Interview with Taichiro Okawara, agriculture, forestry, and fisheries minister, by NHK newscaster Yoshiaki Kawabata at the former's office in Tokyo—recorded; from "NHK News 7" program]

[Text] NHK, in its News 7 program, has interviewed five members of the Murayama cabinet. Today, I interviewed Taichiro Okawara, agriculture, forestry, and fisheries minister, mainly on a report the Rice Price Council submitted yesterday to the government and the controversial food control system.

Mr. Okawara, who served as agriculture, forestry, and fisheries administrative vice minister, is now serving his third term in the House of Councilors. He worked as deputy chairman of the Liberal Democratic Party [LDP] Research Commission on Comprehensive Agriculture and as chairman of the LDP Policy Deliberation Council for the House of Councilors.

[Video shows Okawara sitting facing Kawabata in an unidentified office]

[Kawabata] In the end, the government has decided to freeze rice prices paid to rice growers and largely increase the amount of subsidies for farmers. I think that the Agriculture, Forestry, and Fisheries Ministry plans to lower the rice prices. What is your comment?

[Okawara] The government has decided to freeze the rice prices and increase the amount of subsidies for the farmers with their enthusiasm taken into consideration. The government has decided to do so especially taking into account the rice tariffication without exception and the Uruguay Round accord.

[Kawabata] The business community has harshly criticized the government for increasing the amount of subsidies for the farmers. What is your comment on the criticism?

[Okawara] The business community has attacked the government's decision to increase the amount of subsidies for rice growers. They claim that the increased subsidies would in fact increase the rice prices paid to farmers and the increase in the amount of subsidies cannot be acceptable. Last year, the rice crop was poor and this year, the government needs to purchase a necessary quantity of rice by all means at an early time to stock the government-managed rice. The government has to increase the amount of subsidies to make the rice growers cooperate in purchasing the necessary quantity of rice. I believe that the government's decision to increase the amount of subsidies for the rice growers is not an unprincipled step toward simply raising the rice prices paid to the rice growers. In that sense, I really regret their criticism. I think that the business community has based its criticism on an excessively formal theory.

[Kawabata] Takeshi Nagano, chairman of the Japan Federation of Employers Association, and other business leaders have stated that the government should not have increased the subsidies to the rice growers since farming is an industry.

[Okawara] If Mr. Nagano made such a statement with American farming in mind, his statement would be understandable. American farmers have an average of 200-300 acres. Their farming is agribusiness and is family managed. It is important to develop Japan's farming into a self-reliant industry. The farming situation varies in industrialized nations. With regard to farming in the EU, about 10 million farmers in 12 nations family-manage their farming and they have lagged economically behind other people as their nations' economy has grown. Therefore, governments in those nations have provided substantial subsides to the farmers under their common agricultural policy. I cannot accept a simple way of thinking about Japan's farming.

[Kawabata] Regarding rice, Japanese consumers learned well of the wide gap between domestic and overseas rice prices when Japan had a short supply of rice this spring. Japanese consumers are strongly demanding that the wide gap be addressed.

[Okawara] Yes, they are making that demand. The rice price is seven to eight times higher in Japan than in other nations. The appreciated yen will further widen the gap and a change in the yen's exchange rate will affect the gap. It is not easy to narrow the gap. The rice growers should make efforts to improve their productivity and lower their production costs. They also should work to make consumers properly acclaim and understand their efforts. They need to take an attitude toward that end.

[Kawabata] The Rice Price Council submitted a report to the government yesterday. The government has been asked to make a sweeping review of the conventional policy for setting the rice prices when it reevaluates the food control system since last year. What is your comment?

[Okawara] The government intends to review not only the policy for setting rice prices, but the food control system. As you know, the Agriculture, Forestry, and Fisheries Ministry's Agricultural Policy Deliberation Council has been holding discussions on how to revamp the food control system. I think that the government intends to review the food control system and the policy for setting rice prices at the same time.

[Kawabata] Some argue that the food control system is no longer necessary and the system has finished its role. What do you think of that argument?

[Okawara] With regard to the question of how food should be supplied on a stable basis, we have to think of how to establish self-reliance in the supply of food and how to stabilize food prices. We also have to think of measures to cope with a sharp rise in rice prices and problems confronting consumers. I think that government should control the rice supply without entrusting the rice growers with supplying the rice on their responsibility.

[Kawabata] The food control system is primarily designed to protect the farmers. The agricultural administration as a whole should attach importance to the position of consumers. The Hosokawa Cabinet announced plans to place importance on the consumers. What is your comment?

[Okawara] I think that in principle, the government should carry out the agricultural administration both for the producers and consumers. The government should revamp the food control system after carefully assessing how the revamp will affect the producers and consumers. The food control system should be revamped in a way that benefits both the producers and consumers. This is a principle in revamping the system.

[Kawabata] I have interviewed Okawara, agriculture, forestry, and fisheries minister. NHK finishes its series of interviews with five members of the Murayama Cabinet with this interview.

Government To Increase Domestic Rice Supply

OW1107130594 Tokyo KYODO in English 1228 GMT 11 Jul 94

[Text] Tokyo, July 11 KYODO—The Food Agency plans to increase the supply of domestic rice in the July-October period with Thai rice inventories expected to amount to 170,000 tons at the end of the four months, government officials said Monday [11 July].

The plan calls for distributing 210,000 tons of domestic rice, which accounts for 41.2 percent of July's total supply of 510,000 tons. The remaining rice is from foreign countries, primarily Australia, they said.

The ratio of domestic to foreign rice will increase to 57.7 percent in August, 70 percent in September and 80 percent in October, the officials said.

The August supply includes early-harvested domestic rice of 80,000 tons for the 1994 production year, they said.

In late October, inventories of domestic rice will be at zero, while those of thai rice will amount to 170,000 tons, they said.

Japan bought foreign rice after last-year's poor crop stemming from a cool and rainy summer, but thai long-grain rice remained unsold because most Japanese favor medium and short-grain rice.

Slightly Good Rice Harvest Expected in 1994

OW1107103094 Tokyo KYODO in English 1006 GMT 11 Jul 94

[Text] Tokyo, July 11 KYODO—In contrast to last year's cold and drizzling summer, analysts are beginning to expect a slight good harvest this year in the wake of an early end to the rainy season in western and central Japan.

The rice crop index for the 1994 production year is forecast to rise to more than 105 against the 100 for the average year from 74 last year, according to an analyst at the Rice Databank Co., a Tokyo-based research agency.

Rice prices are coming down in the free market outside government channels. Standard prices eased to 34,500 yen per 60 kilograms on Monday [11 July], a nearly 2,000 yen fall from mid-last week.

Imported rice prices are accelerating their downturn trend with Chinese rice at 6,000 yen, U.S. rice from California at 15,600 yen and Thai rice at 2,100 yen.

Analysts predicted the harvest time this year could come 10 days earlier than usual in some places.

A rice wholesaler said a good harvest is almost certain in western Japan and it is unlikely the eastern part of Japan will suffer a cold summer like in 1993.

More Reports Reflecting Status of Economy

Economic Outlook Revised

OW1107121694 Tokyo KYODO in English 1117 GMT 11 Jul 94

[Text] Tokyo, July 11 KYODO—Private think tanks are revising upward their outlook for the Japanese economy in the current fiscal year, encouraged by strong housing and public works investments as well as a rebound in consumer spending.

Tokio Marine and Fire Insurance Co. changed its outlook to a 1 percent expansion, marking a 0.8 percentage point upward revision, the biggest such hike among major research institutes compared with projections made at the end of last year.

Other think tanks anticipate a 0.2-0.6 higher percentage point growth in Japan's gross domestic product (GDP) in fiscal 1994 than what they had earlier projected.

But the economy is not free of all hurdles. Economists say the recent sharp appreciation of the yen against the dollar could throw cold water on corporate sentiment and squeeze capital spending.

An analyst with NLI Research Institute cautioned there is a chance the economy will see no growth for the second year in a row if the yen remains high in the 90 yen level against the dollar.

Most of the agencies anticipate the GDP to grow around 1 percent, but Nomura Research Institute predicts a mere 0.2 percent.

The following is the table of fiscal 1994 GDP growth forecasts with projections made at the end of last year in parentheses.

Mitsubishi Research Institute	0.6 (0.0)
DKB Research Institute	1.1 (0.8)
Daiwa Research Institute	1.2 (1.0)
Nomura Research Institute	0.2 (-0.4)
Nikko Research Center	0.8 (0.3)
Sumitomo-Life Research Institute	1.4 (1.4)
NLI Research Institute	0.4 (0.0)
Tokio Marine and Fire Insurance Co.	1.0 (0.2)
Research Institute on the National Economy	1.2 (1.6)

Subsidiaries' Hardship Hinted

OW1107093194 Tokyo KYODO in English 0852 GMT 11 Jul 94

[Text] Tokyo, July 11 KYODO—Group earnings by major companies listed on the Tokyo Stock Exchange were worse than parent ones for the business year ended March 31, a sign that their subsidiaries were hard hit, a survey released Monday [11 July] said.

The Yamaichi Research Institute of Securities and Economics said a survey of 656 of the companies listed on the exchange found that their combined net profits fell 41.7 percent for the fourth straight annual drop on a group or consolidated basis.

On a "parent" or unconsolidated basis, they fell only 28.7 percent, dragging the ratio of consolidated net profit to unconsolidated net profit down to 0.70 from 0.85 the previous year.

The figures suggest that the parent companies tried to make their earnings better at the cost of their subsidiaries, said an analyst at the institute, a unit of Yamaichi Securities Co.

"This reflects practices like the one under which they (the parent firms) forced their parts manufacturing subsidiaries to cut prices," he said.

Among other findings, combined sales by the companies polled fell 4.8 percent on a group basis for the third consecutive annual drop, while pretax profits dipped 23.9 percent.

Group net profits by manufactures alone dipped 36.4 percent, falling by more than 30 percent for the third year in a row, while those by nonmanufacturers posted a double-digit fall for the third straight year, falling 48.6 percent.

For the current year ending March 31, 1995, group sales by the companies surveyed are forecast to rise 1.1 percent.

Group pretax profits are forecast to go up 17 percent, while group net profits are projected to gain 76.3 percent for the first increase in five years.

By industry, precision instrument makers, trading houses, and machinery and electrical concerns are projected to be gainers, but steelmakers and construction companies are expected to be losers.

Group net profits by manufacturers alone are expected to climb 83.2 percent, while those by nonmanufacturers are seen jumping 65.0 percent.

Smaller Firms Remain Weak

OW1107075894 Tokyo KYODO in English 0748 GMT 11 Jul 94

[Text] Tokyo, July 11 KYODO—Smaller firms' business confidence during the April-June period remained bleak despite a slight recovery from the previous quarter, the National Association of Shinkin Banks said Monday [11 July] in a survey report.

The quarterly survey, conducted from May 31 through June 3, showed the index, a percentage of those who said their business conditions were good minus that of those who gave a negative answer, stood at minus 30.3, compared with minus 39.7 in the January-March quarter.

The recovery was smaller than expected and smaller companies' business conditions were much more sluggish than in the average brisk period, an association official said.

As for the July-September quarter, smaller businesses again have a prudent outlook with the index standing at minus 23.6, deteriorating from minus 22.6 a year earlier, the survey said.

Although unlikely to get any worse, their business conditions might remain lethargic despite some encouraging factors such as income tax cuts and a hot summer, since the survey did not reflect the yen's recent rapid appreciation and political uncertainty, the official said.

The survey covered 15,000 companies, more than 60 percent of which are mamma-and-papa firms with less than 20 workers. Some 14,876 companies, 99.1 percent, replied.

By region, companies in western Japan marked a recovery but those in three major city areas remained dull. By industry, firms in the manufacturing, retail, wholesale and services sectors remained in blunt conditions, while real estate businesses showed continued slight improvement.

Public Works Spending Drops

OW1107085594 Tokyo KYODO in English 0824 GMT 11 Jul 94

[Text] Tokyo, July 11 KYODO—Public works spending plummeted in May, snapping three consecutive months of year-on-year gain as the Diet's delay in passing the fiscal 1994 budget hindered the launching of new construction, the Construction Ministry said Monday [11 July].

Spending in May dropped 26.7 percent from the year before to 1,030.9 billion yen after posting a record 1,155.2 billion yen in April.

Major construction with a scale of 1 billion yen or more dropped 176.8 billion yen, the ministry said.

Orders placed by the central government and its agencies plunged 48 percent to 178 billion yen, while those by local governments fell 19.9 percent to 853 billion yen, both posting declines for the first time in four months.

North Korea

'New Preparatory Meeting' for Summit Suggested

HK1207084194 Hong Kong AFP in English 0817 GMT 12 Jul 94

[Text] Beijing, July 12 (AFP)—North Korea wants another meeting with South Korea before the two sides sit down to a summit delayed by the death of Kim Il-song, a Japanese international affairs specialist said here Tuesday [12 July] after returning from Pyongyang.

Kaoru Nakamaru told reporters at Beijing's airport that she received the information from a "high-level official" of the North Korean Workers' Party. "He told me that North Korea wanted a new preparatory meeting, at the level of deputy prime minister or vice president, before the summit," she said, adding that North Korea wanted to be represented by Kim Yong-Sun, its principal summit negotiator.

The historic summit was to be held between the countries' two presidents July 25 to July 27. "This official also told me of North Korea's intention to continue talks with the United States," she said. Nakamaru, who visited Pyongyang from July 6 to July 12, also said that, according to Workers' Party officials, an "important meeting" of the party and parliament is to take place after Kim's funeral on July 17.

More Eulogies of Kim Il-song Reported

Kim Il-song's Leadership Hailed

SK0907194094 Pyongyang Korean Central Broadcasting Network in Korean 1640 GMT 9 Jul 94

[Unattributed talk: "The Great Leader [yongdoja] Who Has Produced Immortal Achievements"]

[Text] The respected and beloved leader Comrade Kim Il-song produced eternal, immortal achievements by embarking on the road of the revolution already in his early days and wisely leading our revolution and construction for a long time. Along with ideological and theoretical wisdom and virtues, leadership ability is an important feature that the working class' leader [suryong] should possess.

Over 100 years have passed since the communist movement began on earth, and there were many leaders in the world who won a reputation due to their excellent leadership ability. However, there was no leader of the working class in the world like the great leader who possessed outstanding leadership ability.

The respected and beloved leader won high respect and praise from the people of the world as a revolutionary veteran and as a prominent and tested leader of the communist and workers movements because he produced greater achievements through his protracted and prominent leadership than history had ever witnessed.

The dear leader Comrade Kim Chong-il has indicated: Our leader [suryong] is the great leader [widaehan yongdoja] who possesses an excellent leadership ability.

The dear leader Comrade Kim Chong-il has extensively elucidated the greatness of the respected and beloved leader's leadership.

The respected and beloved leader Comrade Kim Il-song's leadership was a most wise and scientific leadership. Analyzing the prevailing situation scientifically, establishing correct lines and policies, and wisely leading the masses for their implementation are definitely the most important problems arising in the leader's [suryong] leadership in the revolution and construction.

Looking at history in retrospect, even in the case of leaders who profess themselves to engage in politics for the sake of their people, let alone self-interested rulers, it has been impossible to expect that they can undertake politics without any mistake. We could witness in the past that politicians who took office made mistakes for months.

However, the great leader led the revolution and construction straight to the road of victory without the slightest degree of mistake, error, or deviation. That the great leader led the revolution and construction most wisely and scientifically was because he possessed an extraordinary wisdom which looked ahead to the distant future.

Generally, leaders of the revolution and leaders of the working class have an exceptional wisdom. However, the wisdom that the great leader had was the excellent and prominent wisdom that no leaders in history had ever possessed. It was the brilliant wisdom that transcended the imagination of mankind. The characteristics of the great leader's extraordinary wisdom of looking ahead to the distant future are that he quickly grasps and finds changes in developing realities which no one had sensed.

These profound insights and extraordinary and scientific foresights that the great leader possessed were the basic source of the wisdom and scientific nature of his leadership. The greatness of the respected and beloved leader Comrade Kim Il-song's leadership lies in that it was an extensive leadership in all fields of the revolution and construction.

The leader's [suryong] leadership ability in leading the revolution and construction is to find expression in the substantial success of bringing about great changes in the practice of the revolution. The leader's [suryong] extraordinary leadership ability produces a great reality. Accordingly, the extraordinary nature of the leader's leadership ability is verified by the proud reality which brings about miracles and innovations.

History has never witnessed a leader who possessed both literary and military accomplishments and who skillfully organized and led works in all fields. However, the great leader's wise leadership has affected every corner of the revolution and construction.

The great leader wisely led the work in all fields, including politics, the economy, science, education, military, literature, and arts. That our people have been able to achieve brilliant successes in all fields, including politics, the economy, science, education, the military, literature, and arts, was because the great leader wisely led the work of all fields with his excellent leadership art and leadership ability.

The greatness of the respected and beloved leader Comrade Kim Il-song's leadership lies in that it was a great leadership which turned adversity into favorable circumstances and misfortune into a blessing by using an iron will and outstanding leadership ability.

Our revolution has traversed a road tougher than any other, and was compelled to overcome numerous difficulties and trials. There were countless insurmountable trials in the way of our revolution, including the anti-Japanese revolutionary war, the Fatherland Liberation War, and the postwar period of rehabilitation, which were all difficult to overcome. However, the great leader, with an iron will, proclaiming that there is always a way out even if the heavens collapse, met these difficulties and led both the revolution and construction to endless upsurges with his outstanding leadership ability.

Particularly in recent days, the anti-Republic commotion perpetrated by the imperialists and reactionaries reached an extreme as they ran amok to isolate and crush [apsalharyogo] our Republic. However, the great leader and the dear comrade leader hindered and broke all sorts of the enemy's maneuvers by countering anti-revolutionary offensives with revolutionary offensives, using superb strategic tactics, and by believing in our people's power strongly united in one mind around the party when the situation went from bad to worse.

Thanks to the great leader's iron will and outstanding leadership ability, our people could continue to create world-startling miracles, even under difficult trials, and to brilliantly pioneer their destiny.

The greatness of the respected and beloved leader Comrade Kim Il-song's leadership also lies in that it was a popular leadership which drew everything from the popular masses and which solved everything by organizing and mobilizing the popular masses.

There are many ways for the leader of the working class to realize leadership over the revolutionary movement and give guidance to the masses.

On-the-spot guidance played an important role in the great leader's popular leadership. On-the-spot guidance is a kind of mass guidance founded by the great leader for the first time in history, and a brilliant example of his popular leadership. During the long time period from his early days when he embarked on the revolution, the great leader endlessly traversed the road of on-the-spot guidance. On this road, he established policies and lines reflecting the people's aspiration and their will, and led the revolution and construction to a brilliant success by organizing and mobilizing the masses.

Our party has led the revolution and construction along the road of success without the slightest error or mistake in carrying out these lines. This is because the great leader mingled with the people, mapped out lines and policies by reflecting the people's aspirations and intentions, and wisely organized and led them in fully implementing them.

The entire life of the great leader was a life of ceaseless on-the-spot guidance to the people. He always was in the center of the reality with the working popular masses, including workers and farmers, and would raise them as accomplishers of new feats.

He warmly embraced all people in various classes and strata, leading them to the road of patriotism. He did not allow any factor to infringe upon the people's interests, and did everything he could to enhance the people's welfare. His people-oriented character, his magnanimity and generosity, and his lofty struggling spirit described above were the people-oriented leader's great traits, elaborated on every page of the annals of the respected and beloved leader's great leadership.

With these lofty traits, the great leader made every effort for the people. This is why our people wholeheartedly admired him as the leader who began his journey of love every night after letting our people sleep in the cradle of happiness; their only desire was that the great leader could rest even if for a moment.

It is the great pride and honor of our party and people to uphold the dear leader Comrade Kim Chong-il and to advance under his wise leadership today. Our people will complete the socialist cause, the chuche revolutionary cause, under the wise leadership of the party and the leader [suryong].

NODONG SINMUN Praises Kim Il-song

SK1207072694 Pyongyang Korean Central Broadcasting Network in Korean 2225 GMT 10 Jul 94

[NODONG SINMUN 11 July editorial: "The Respected and Beloved Father Comrade Kim Il-song Will Live Forever in the People's Hearts."]

[Text] All the people throughout the country are now overwhelmed by the greatest sorrow. After hearing the news about the unexpected death of our respected and beloved father Comrade Kim Il-song, who devoted his whole life to the cause of the popular masses' independence and energetically carried out his activities, without rest, for the growth and prosperity of the fatherland, the people's happiness, reunification of the nation, and independence of the world, until the last moment of his life, all of our working class, cooperative farm workers, officers and men of the People's Army, intellectuals, young people, and students are expressing their heartiest condolences with boundless reverence and affection for him.

Having lost the great leader, who was upheld as the first great hero and great father in the thousands-of-years-history of our nation, the grief of our people is beyond expression.

Our party and people have had bitter losses and experienced intolerable sufferings on the long and arduous road. Comrade Kim Il-song, the great leader and benevolent father of our party and people, passed away too lamentably at this historic moment [yoksajogin i sigage] when our socialist cause is victoriously advancing while overcoming many difficulties and trials, and when a new phase has opened [saeroun kungmyoni yollyojigo innun] for our revolution and the fatherland's reunification. This is the greatest loss for our party and revolution and the greatest sorrow to the entire nation and mankind.

The great heart of the supreme leader [noesu] of the revolution, who sacrificed all he had only for the cause of the popular masses' independence for some 80 years since the time when he rose highly as a sun at Mangyongdae, to give light, life, vigor, and courage to all of us until it stopped beating.

No matter how severe the trials were in the course of our revolution, we were confident and stoutly stepped forward because the great leader Comrade Kim Il-song was with us. No matter how strong the enemies who attacked us were, and no matter how heavy the tasks we faced were, we could win all fights because we were under the leadership of the respected and beloved leader.

Thanks to the respected and beloved leader Comrade Kim Il-song's sun-like magnetism [illyok], warm humanity, and generous heart, our party and people could achieve the most powerful single-hearted unity unprecedented in history, and could make our society a great, harmonized and united family. The benevolent, fatherly leader who was the great symbol of all our struggles and victories, and who was our ambition, aspiration, life, and hope, has left us.

We now can no longer hear the benevolent voice of the great leader that fostered our people's faith and fighting spirit and gave our people invincible might and courage. We can no longer hold the fatherly hand of the leader who embraced us all in his heart and led us with tender care.

The great leader Comrade Kim Il-song has left us to our grief, but the immortal revolutionary achievements which the leader has made, the leader's name, and his noble character will remain forever intact in the hearts of our people and in the hearts of all progressive people in the world.

At this moment when the whole country is engulfed in incalculable great sorrow, all our party members and working people recall with boundless reverence, the great life of the respected and beloved leader Comrade Kim Il-song which will shine forever with the century.

The dear leader Comrade Kim Chong-il has noted: Our leader is the greatest leader of the working class who was the incarnation of matchless extraordinary wisdom, outstanding leadership, and the noble communist virtue and who newly pioneered and added luster to the modern history with his profound revolutionary theory and great revolutionary practice, and he is the people's benevolent father who resplendently embroidered the entire course of the protracted revolutionary struggle with his boundless devotion to the revolutionary cause and warm love for the people.

There is a great course of life for a great leader and a great man. Our respected and beloved father Comrade Kim Il-song was a great man who devoted himself throughout his life to the sacred cause for the revolution and the people. He was the supreme model of a great revolutionary and communist.

The respected and beloved leader who was born of a patriotic and revolutionary family generation after generation, and who grew up to be a great revolutionary at a time of the most difficult national suffering, has traversed the most brilliant course of life for the country, the people, and the revolution up to today in his eighties.

The 80-odd years which the great leader has lived were adorned throughout with his noblest sense of responsibility, enthusiastic patriotism, warm love for the people, love for mankind, resolute revolutionary principle, unyielding volition, and boundless devotion to the revolutionary cause.

We do not know of any other leader of the working class who possessed the outstanding character and disposition of such a great man and who embroidered a great history of revolutionary struggle in a rapidly changing century over such a long period of time. No one who has a beating heart and whose blood is circulating, can read this great history without shedding warm tears.

The life of the respected and beloved Comrade Kim Il-song was the life of a peerless patriot and a great national hero who restored the sovereignty and dignity of the country and the nation and resolutely defended it by overcoming the many-fold trials and difficulties.

The time when the great leader embarked on the road of the revolution was a most gloomy period during which the misfortune of national ruin was lingering over the nation. The great leader, who was determined to achieve national liberation, taking upon himself the ardent desire of the entire nation, organized and led the 20-odd years' anti-Japanese revolutionary struggle to victory, while passing through seas of blood and fire, and, thus, ended the history of national ordeals and bestowed a new spring of national liberation upon our people.

This was the immortal achievement which provided a new turning point in our nation's 5,000-year-long history. During the period of the Fatherland Liberation War, which brought most formidable trials to our fatherland, the respected and beloved leader Comrade Kim Il-song, taking upon himself all hard burdens of the front and rear areas, inspired the Army and the people in the heroic struggle for victory in the war, defeated the armed invasion of the allied forces of imperialism, and thus, brilliantly defended the dignity and honor of the fatherland.

If there had been no such firm will and leadership ability as the great leader had at that time our people could not have defended our fatherland and the lifeline of the revolution. The respected and beloved leader Comrade Kim Il-song, the defender of the fatherland and the nation and the iron-willed commander, firmly defended the national sovereignty and the gains of the revolution that our people had gained with blood over the past decades and led our people to unstintedly demonstrate their unyielding national dignity in the confrontation with the most powerful enemies.

In his long course of advancing toward the road of the revolution, while breaking through the most formidable storms in modern history, the respected and beloved leader underwent all sorts of trials that revolutionaries were to undergo and underwent all kinds of sufferings and sadness that human beings were to undergo.

On the days of the anti-Japanese struggle, the respected and beloved leader led the march of ordeals. During the war he personally went to the dangerous frontline, and during the postwar days he smashed outside forces. We cannot count all of the ordeals that the respected and beloved leader underwent on these courses.

Our leader underwent all sorts of hardships during his lifetime for the fatherland and the revolution, and he has departed from us now without having the time to relieve his accumulated fatigue.

The whole lifetime of the great leader Comrade Kim Il-song was a glorious and brilliant chronicle of the great statesman and the great father of the people who has built on this land a genuine paradise of the people on which the socialist ideal is efflorescing.

The revolutionary lifetime of excellent leaders is brilliantly recorded in the history of the working class' revolutionary struggle. However, the only leader who, not only took the firm root of socialism and built its foundation, but also established the socialist system and unfolded the golden age of socialism is precisely our respected and beloved leader Comrade Kim Il-song.

The great leader, the genius of creation and construction, successfully carried out the anti-imperialist, antifeudal democratic revolution and the socialist revolution by traversing a totally new path, built the popular mass-centered socialist system on this land, and vigorously accelerated socialist construction. Thus, he created the model of socialism.

Thanks to the extraordinary and seasoned leadership of the respected and beloved leader, who converted misfortune into a blessing and an adverse situation into a smooth one; our country, which lagged a century behind and was poverty-stricken, has turned into a socialist power of independence, self-reliance, and self-defense; and our people, who were called a miserable people in history, have become the most dignified, proudest, and happiest people.

Our people's independent and creative lives and the chuche socialist system, the cradle of our happiness, are what the great leader prepared for us. The respected and beloved leader, our father, concluded his honorable life after fulfilling all he could do for socialism and national prosperity and providing all the happiness, honor, and dignity that he could give to the people.

Throughout the whole course of his revolutionary activity to lead the most sublime historic cause of the popular masses, the great leader was always with the people and shared sufferings and happiness with them, considering the saying "Serving the people is like heaven" as a motto.

Every corner of the paradise, where our people's happiness is blooming, bears the lofty trace of the long way trodden by the great leader Comrade Kim Il-song to give the people his on-the-spot guidance.

Our people will never forget the great love and benevolence given by the respected and beloved leader, even though time passes by and the world changes a lot, and will keep the trace of the leader's leadership in their hearts forever.

The whole life of the respected and beloved leader Comrade Kim Il-song was the life of the greatest leader of the working class, who firmly prepared all assets [chaebu] for the ultimate victory of the chuche revolutionary cause.

The revolution is a struggle for the future, and the greatness of the working class' leader is in preparing a firm guarantee for the prosperity of future generations and for the brilliant future of the revolution.

The great leader, who keenly envisaged the inevitability [happopchiksong] of the revolutionary cause to be succeeded generation after generation, prepared a firm and stout blood line [kutko oksen hyoltong] of our party and revolution and solved the problem of inheriting the leader's cause in the most brilliant way. By doing so, he enabled our people to become happy, lucky people, with an excellent leader who stoutly kept the beat [myongmaek] of the revolution, upholding the great leader [widaehan chidoja] with extraordinary wisdom and seasoned leadership at the front. This is the greatest and most brilliant of the achievements by the respected and beloved leader.

The respected and beloved leader Comrade Kim Il-song firmly provided our party and people with all the firm political, ideological, material, technological, and military foundations that enable our party and people to fulfill the cause of socialism and communism under the leadership of the dear leader Comrade Kim Chong-il.

The respected and beloved leader, who has far-seeing brilliant wisdom, founded the immortal chuche idea and put forth the most correct and perfect chuche revolutionary line, strategy, and tactics which our party and people should firmly adhere to, thus opening a splendid road so that our revolution can advance without the slightest turns and twists.

Comrade Kim Il-song's revolutionary ideology, which is a monolithic system of the chuche idea, theory, and method, is a great guiding ideology of the era representing the current era and the future of communism. It is also a great banner of advance and banner of a struggle in which our people can overcome any kind of storm and be ever-victorious.

The great leader strengthened and developed the Workers Party of Korea to be an invincible revolutionary party, the most authoritative and powerful of our age, and provided the main force of the revolution so that our revolution can always advance triumphantly without the slightest vacillation.

Our party, which the great leader created and is leading today, is highly manifesting its might as a party with a bright future, which is advancing all the work in accordance with great-leader-style work method with the most tenacious organizational and ideological basis and leadership system, and as a mighty general staff of the revolution that can easily carry out any difficult historical task.

Due to the respected and beloved leader's farsighted and refined leadership, our people have come to possess a strong independent national economy that can walk on its own feet under whatever difficult conditions. They also have now an one-a-match-for-100 army of the party and an invincible revolutionary force that firmly defend the party and the revolution, fully equipped with modern means of attack and defense.

When the great leader advanced toward the road of the revolution, our people did not have a party, a regime, and an army. Thus, he led our revolutionaries, who started from zero, and have come to today's height. In this process, he provided eternal assets for the revolution. Therefore, we cannot compare the respected and beloved leader's revolutionary achievements with the depth of the sea or the height of the heavens.

The only assets the great leader received from his father were the ideology of assistance, the three main songs, the ideology of [word indistinct], and two stands of guns, but the assets left to our party and people by the great leader are great, abundant, and immortal. The respected and beloved leader's achievement in which he provided a revolutionary asset that has eternal vitality to our party and people, will be eternally kept in our people's hearts.

The history of the great leader Comrade Kim Il-song's revolutionary activities is a history of the nation's great leader [yongdoja] in which he devoted everything to true national unity and in realizing the reunification cause.

The great leader Comrade Kim Il-song, who established the proud tradition of great national unity during the anti-Japanese period, set the country's reunification as the supreme task of the nation, elucidated the most just principles and reasonable ways for the fatherland's reunification, and roused all Korean fellow countrymen in the North, South, and overseas to accomplish the cause of national unity and reunification.

The great leader said that the biggest gift he can give to our people is the fatherland's reunification. Thus, he put his heart and soul day and night into rejoining the severed national blood ties. Therefore, due to his great pains, a new bright prospect has been opened today in the future road of the fatherland's reunification.

The heart of the great leader, who is the sun of the nation and lodestar of the fatherland's reunification, was a great heart, which made it possible for the whole nation to move toward the road of great national unity by truly transcending ideology, political views, and minimum differences. It was also the heart of a benevolent father who embraced the people from all walks of life, thus leading them toward the road of revival.

Although they have lost this great heart today, our people will cherish in their hearts the respected and beloved leader's ideology of patriotism, nation-loving, and great national unity and achieve without fail the cause of national reunification that the leader so ardently desired.

The whole life of the great leader Comrade Kim Il-song was the life of the most prominent leader of our times who made immortal contributions to the cause of mankind's liberation under the banner of socialism, that is, the anti-imperialist banner for independence.

Being faithful both to the national and international duties of the working class was the invariable principle which the respected and beloved leader Comrade Kim Il-song firmly adhered to. In the whole period of his revolutionary activities, the great leader paid deep attention to the anti-imperialist cause for independence as a whole and clearly elucidated the way for its accomplishment. He also constantly carried out energetic activities for the victory of the socialist cause, for the strengthening and development of the nonaligned movement, for world peace, and for friendship and solidarity among all peoples.

These days, the historic movement of our times to advance along the path of independence has advanced far and the international prestige of our party and our Republic is enhanced extraordinarily. The authority and dignity of the respected and beloved leader Comrade Kim Il-song as a veteran of the world revolution and the most experienced leader of the socialist cause were absolute ones which nothing could undermine. It was the greatest national glory and privilege of our people to uphold the most outstanding man in the present century and the great leader of the international revolutionary cause in high esteem.

Today's deep sorrow causes us to further reflect deep in our hearts upon the fact that our people have carried out the revolution for a long time upholding the great national leader, the genius of mankind.

Consummating the chuche revolutionary cause which the great leader Comrade Kim Il-song pioneered without sleep or rest to the end and consummating the interests and efforts that led to its brilliant victory remain historic tasks of our party and people today.

On the days of devoting his whole life to the fatherland, the people, and the revolution while undergoing all sorts of ordeals and misfortune the great leader showed to us the practical model on how to surmount grief and sorrow and how to advance the revolution. Whenever faithful Korean revolutionaries left us, the great leader grieved deeply and encouraged us to turn sorrow into strength and courage, thus inspiring our people into continuing the revolution. The great leader's teaching still moves our hearts today.

Taking all that was left by the great leader as their only guideline and as their weapon for certain victory, our people will turn their sorrow into strength, and will vigorously fight, upholding the banner of the revolution, the banner of socialism even higher.

The immortal feats and experience that the respected and beloved leader Comrade Kim Il-song gained by fighting his way through the raging storm of the revolution while taking upon himself the destiny of the fatherland and the nation are the eternal lifeline of our revolution and the everlasting foundation stone that makes it possible for our party and people to continuously traverse the road of victory.

Our people's happiness and future, the boundless prosperity and development of our fatherland and nation, and the eventual victory of the chuche cause fully depends on how resolutely we will protect and defend the great leader's ideas and achievements and glorify them for ages.

Even if the world changes 10 or 100 times or even if the earth breaks apart, our people will walk along the single road cultivated by the respected and beloved leader Comrade Kim Il-song and protect and defend all revolutionary achievements by the leader [suryongnim] as the most precious thing.

All chuche-type revolutionaries and people of our Korea are genuine sons and daughters who grew up in the fatherly leader's embrace. Living in our minds are the great leader's revolutionary ideas, and throbbing in our hearts is a warm sense of obligation to repay the leader's [suryongnim] love.

We will accelerate revolution and construction, while absolutely believing in only the great leader Comrade Kim Il-song's revolutionary ideas and strongly adhering only to the chuche-oriented revolutionary lines which the leader [suryongnim] elucidated early on.

All our people solemnly pledge to the era and the revolution that they will break through any difficulties with a belief in a sure victory and with boundless courage which the great leader gave them and live and fight as Comrade Kim Il-song's warriors forever.

Our party and people have suffered the greatest loss in the Korean revolution. However, they are in no way pessimistic but filled with confidence in a sure victory.

Today, standing at the vanguard of our revolution is Comrade Kim Chong-il, the great inheritor [widaehan gyesungja] of the chuche cause, the outstanding leader [kolchurhan yongdoja] of our party and people, and the supreme commander of our revolutionary Armed Forces.

The dear leader Comrade Kim Chong-il's tested leadership is a firm guarantee for brilliantly inheriting and completing, generation after generation, the chuche revolutionary cause cultivated and led by the great leader Comrade Kim Il-song.

We have the boundless strength of all people singleheartedly united around the party and the invincible revolutionary Armed Forces. We also have the most outstanding socialist system and the powerful self-reliant national economy. Because we have this powerful weapon and a rock-solid basis, we will resolutely protect and defend the chuche-oriented revolutionary tradition and immortal achievements built by the respected and beloved leader Comrade Kim Il-song, and complete Comrade Kim Il-song's cause to the end.

As long as we uphold the dear leader, who has literary and military accomplishments, loyalty and devotion, and is leading our era's revolution to a brilliant victory, in front, the eventual victory of the chuche revolutionary cause cultivated by the respected and beloved leader Comrade Kim Il-song is firmly guaranteed.

Upholding the dear leader Comrade Kim Chong-il and uniting around him is a genuine way to brilliantly inherit and complete the great leader's cause.

The great leader Comrade Kim Il-song has taught: If it is to defend the popular masses-centered socialism of our country and brilliantly complete the chuche revolutionary cause, the entire party and all people must faithfully uphold [chal paturonagaya] Comrade Kim Chong-il's leadership.

Faithfully upholding Comrade Kim Chong-il's leadership is a firm guarantee for inheriting and completing the socialist cause.

The teaching of the great leader on upholding the dear leader Comrade Kim Chong-il and uniting around him, was what he wished most in his lifetime, a great heritage he bequeathed to our chuche-type revolutionaries, and a noble guideline which the people of our times and our offspring must abide by as their motto, and brilliantly embody generation after generation. There will be no deviation even one inch or retreat even one step on this road. We will resolutely struggle against any phenomenon that contradicts this without the slightest compromise.

We will unite firmly around the dear comrade leader and protect and adhere to this wholehearted unity as one holds the pupil of one's eye dear. At present when we are sunk in great sorrow and grief, the entire party membership and all the people feel deep in their hearts how the unity around the dear comrade leader becomes a mighty weapon in our revolution and what great strength such unity will give them in overcoming their grief today and leading the revolution to continuous upsurge.

Today, the faith that the dear leader Comrade Kim Chong-il is our destiny, future, and our entire life is becoming even firmer. Our grief is incalculably great, but the revolutionary faith of the Korean communists which is tempered and tested in the arduous struggle is unshakable, and our people are determined with the revolutionary resolve and fighting spirit to fulfill the revolutionary cause pioneered by the leader upholding the dear comrade leader.

We will totally entrust all our destiny to the dear leader Comrade Kim Chong-il and uphold him in high esteem with wholehearted loyalty and filial dutifulness.

All the party members, working people, and the officers and men of the People's Army must protect and defend the dear comrade leader as if they were bullets and bombs, and struggle, devoting their youth and lives to the work of the comrade leader.

Our socialism is a superior chuche socialism which the respected and beloved leader Comrade Kim Il-song has built, devoting his life to it. The respected and beloved leader took incalculable pains and put his heart and soul in order to build the popular mass-centered socialism that we have today in which the popular masses are the masters of everything and in which everything serves the popular masses.

To firmly defend and add luster to our-style socialism is the fundamental demand to brilliantly inherit the respected and beloved leader's cause. All the party members and working people must further accelerate the general forsard march movement to give full play to the superiority of our-style socialism and thoroughly implement our party's revolutionary economic strategy.

All the party members and working people must persistently keep up and thoroughly implement the three revolutions—ideological, technological, and cultural, elucidated by the respected and beloved leader as our party's general line, and effect a new great upswing in all fronts of socialism.

We must fulfill the cause of socialism by all means and build a communist paradise in this land in which the independence of the popular masses is completely realized so that the leader's wishes may come true.

The greatest task and desire the respected and beloved leader Comrade Kim Il-song put forth in his lifetime was to let the entire nation live harmoniously in the reunified fatherland.

We should, without fail, achieve the independent and peaceful reunification of the fatherland by carrying out a vigorous struggle with the firm unity of the whole nation, thus upholding the three principles of independence, peaceful reunification, and a great unity of the nation and the 10-point program of the great unity of the whole nation for the reunification of the fatherland presented by the great leader. Sadly, the great leader has died without seeing the days of the national reunification that he missed so much, but we will brilliantly achieve the historic cause for the national reunification by upholding his intent.

The revolutionary people throughout the world are overwhelmed by sadness due to the lost of the great leader, the most outstanding leader in our times, who made an immortal contribution to carrying out mankind's cause for independence.

Our party and people will actively make efforts to strengthen the friendship and unity with the people of various countries throughout the world who defend independence based on ideologies of independence, peace, and friendship expounded by the great leader Comrade Kim Il-song and, also, will continue to vigorously carry out a struggle to build a new, independent and peaceful world.

Although the heart of the great leader Comrade Kim Il-song, who energetically worked without taking the slightest rest for over 80 years, was stopped, the leader will remain forever in the hearts of the people. The holy and esteemed name of the fatherly leader and his benevolent appearance will live and shine forever in the vanguard of our party and the revolutionary ranks that are winning victory after victory. Also, the song "General Kim Il-song" praising the greatness of the leader will be loudly sung throughout the country over and over again.

Kim Chong-il 'Clearly Tense' Beside Sarcophagus

LD1107183094 Warsaw TVP Television First Program Network in Polish 1730 GMT 11 Jul 94

[Video report by RZECZPOSPOLITA correspondent Krzysztof Darewicz—relayed by Warsaw Polonia TV Network]

[Text] This evening in Pyongyang, the capital of North Korea, the body of President Kim Il-song who died last Friday was laid in state. What is more important, Kim Chong-il, the eldest son and successor of Kim Il-song, turned up by the sarcophagus. The first who were able to view the body of Kim Il-song were the foreign diplomats living in Pyongyang. After bowing before the sarcophagus, the diplomats walked around it, then moving on to Kim Chong-il, Minister of Defense O Chin-u, and Premier Kang Song-san who were standing along the side of the sarcophagus. In accordance with an earlier instruction, each of the diplomats could say just one sentence to Kim Chong-il and press his hand. Clearly tense, with a clouded expression, Kim Chong-il did not say a word to anyone. This is the first public appearance by Kim Chong-il since last December and also the first since the death of Kim Il-song and in the character of the new leader of North Korea.

Meanwhile, mourning for Kim Il-song is in progress through North Korea. Despite torrential rain, many thousands gathered under his statue in the center of Pyongyang. People are still crying, they are kneeling before the statue, beating their brows against the ground. Some are even bringing, as offerings to the soul of the deceased great leader, vodka in glasses and rice.

More Reportage on Reaction to Kim's Death

People 'Overwhelmed With Grief'

SK1107102494 Pyongyang KCNA in English 1010 GMT 11 Jul 94

[Text] Pyongyang, July 11 (KCNA)—Hearing the unexpected news that the respected leader President Kim Il-song passed away, the whole country is now overwhelmed with grief and pain that no words are adequate to describe.

Working class, cooperative farmers, intellectuals, People's Army officers and men, youth and students in all parts of the country are streaming to bronze statues of the great leader and mourning his death with deepest grief today following July 9 and 10.

All of them who had believed that the respected leader would never depart from them, are beating their chests, big tears running down their cheeks, upon hearing the sad news that came like a bolt from the blue.

The people in Pyongyang spent another sleepless night yesterday.

The Mansudae hill where the bronze statue of the respected leader is standing, the adjoining foot of the Moran hill, the Changjon crossroads, the boulevard fanning out from Potong gate presented scenes of steady streams of citizens calling at the Mansudae hill, their faces wet with tears.

Before the bronze statue of President Kim Il-song, veteran fighters of the anti-Japanese revolution, veterans of the fatherland liberation war, government officials, workers, farmers, officers and men of the People's Army and people of other segments would not leave the place, looking back on the undying feats performed by him for the Korean revolution and the world revolution, which will shine through generations.

An anti-Japanese revolutionary fighter, Hwang Sun-hui, curator of the Korean Revolution Museum, vowed to turn the grief at the loss of the father of the nation, the great teacher, into strength and courage, always trust and follow only the dear leader Comrade Kim Chong-il, even if the world changed hundreds of times, and carry forward to completion through generations the revolutionary cause of chuche pioneered by the respected leader, remaining loyal to a member of the leadership of the dear leader, and fulfil her duty as the first generation of the revolution in achieving the national reunification.

Generals and officers of the Ministry of Public Security and soldiers of the Korean People's Security Forces called at the bronze statue of President Kim Il-song at the ministry and laid wreaths and bouquets of flowers before it, a wave of sorrow coming over them.

Kim Yong-chun, an officer of the Korean People's Security Forces, finding it hard to control his grief, said he felt his heart rent at the thought that the respected leader is gone, not seeing the day of reunification. "We will bring earlier the day of national reunification desired by the fatherly leader", he said.

Artistes gathered before the bronze statue of the fatherly leader at the Korean film studio, and solemnly vowed to turn the deep sadness at the loss of the great leader into strength and courage and defend and glorify the socialist cause of chuche, rallied as firm as a rock around Comrade Kim Chong-il.

Teachers and students of Kim Il-song University, the highest seat of chuche science, made oath of loyalty in front of the bronze statue of the respected leader erected on the time-honored Yongnam hill of the university, solemnly reciting poems carrying their grief and reading in chorus the undying ode written by him.

The Chanam hill in Kaesong where a bronze statue of the great leader is standing is overflowing with working people wriggling in overpowering sadness at the news that the leader passed away, leaving a lot of work unfinished at the historical moment when a new phase was opening in the accomplishment of the cause of national reunification.

In floods of tears, they are beating their chests, asking: Is it true that the great leader passed away when we are picturing to ourselves the glorious day when we will extend cheers to the great leader and the dear leader standing on the high rostrum of the plaza of reunification.

The hearts of the people of all strata streaming to the bronze statues of President Kim Il-song are filled with the firm confidence that they are strong because the great leader will always be alive in their hearts and Comrade Kim Chong-il, the illustrious leader, is standing at the head of the revolution.

11 Jul Mourning Service Reported

SK1107231894 Pyongyang KCNA in English 2258 GMT 11 Jul 94

["Mourning Service Solemnly Held Before Bier of President Kim Il-song"—KCNA headline]

[Text] Pyongyang, July 11 (KCNA)—A mourning service was held solemnly before the bier of the great leader President Kim Il-song in Pyongyang on July 11.

Comrade Kim Chong-il, chairman of the National Defence Commission of the Democratic People's Republic of Korea and Supreme Commander of the Korean People's Army, accompanied by senior officials of the party and the state, visited the bier of President Kim Il-song and expressed condolences with deepest grief.

Present at the mourning service with him were O Chin-u, member of the presidium of the Political Bureau of the Central Committee [C.C.] of the Workers' Party of Korea [WPK] and minister of People's Armed Forces; Kang Song-san, member of the Political Bureau of the C.C., the WPK and premier of the Administration Council; Yi Chong-ok, Pak Song-chol and Kim Yong-chu, members of the Political Bureau of the C.C., the WPK and vice-presidents of the DPRK; Kim Pyong-sik, chairman of the Central Committee of the Korean Social- Democratic Party and vice-president of the DPRK; and other party and state senior officials and the members of the state funeral committee.

Also present was Han Tok-su, chairman of the Central Standing Committee of the General Association of Korean Residents in Japan (Chongnyon), who is staying in the socialist homeland.

The Kumsusan Assembly Hall, the place of the mourning service, was enveloped in a solemn atmosphere.

The bier of President Kim Il-song was laid in state among flowers, covered by a red flag.

The face of President Kim Il-song, who was the greatest man deeply revered and respected by all the Korean people and world people, looked very tender, benevolent and dignified as he looked when he was alive.

Placed in front of the bier were many orders and medals including the medals of the hero of the republic and the labour hero which our people presented to President Kim Il-song in praise of the great feats he performed in his 80 odd years of life, making devoted efforts for the freedom and liberation of our people and for the independence and prosperity of the country.

A wreath sent by Comrade Kim Chong-il was lying by the bier.

Also lying there were wreaths from the Central Committee of the Workers' Party of Korea, the Central Military Commission of the party, the National Defence Commission, the Central People's Committee and the Administration Council of the DPRK and many other wreaths.

Members of the state funeral committee were standing as guards of honour at the bier.

Guards of honour of the three services of the Korean people's army were standing by the bier.

Comrade Kim Chong-il, together with the senior party and state officials accompanying him, observed a moment's silence before the bier of President Kim Il-song with deepest sorrow and went round the bier.

Looking at the August appearance of the respected fatherly leader who devoted his whole life to the people's cause of independence and conducted energetic activities without a rest till the last moments of his life for the prosperity of the country and the happiness of the people, the mourners, overcome with grief and pain, wept bitterly, beating their chests, and were reluctant to leave the bier.

The mourners hardened their determination to change today's sorrow into strength and courage, remain so loyal to the guidance of Comrade Kim Chong-il, the illustrious leader of our party and people, as they were to the guidance of the respected leader President Kim Il-song in covering the course of victory through manifold difficulties and trials, firmly defend and exalt Korean-style socialism centred on the popular masses, united around Comrade Kim Chong-il in one mind, vigorously fight for the reunification of the country and the realisation of global independence so as to accomplish the revolutionary cause of chuche started by President Kim Il-song.

Leadership Present at Ceremony

SK1107234794 Pyongyang Korean Central Broadcasting Network in Korean 2100 GMT 11 Jul 94

[Excerpt] Comrade Kim Chong-il, chairman of the DPRK Defense Committee and supreme commander of the Korean People's Army, expressed deep condolences before the bier of the great leader Comrade Kim Il-song along with the leading cadres of the party and state. Upon hearing the sad news of the death of the great leader Comrade Kim Il-song, general secretary of the Workers Party of Korea [WPK] Central Committee and DPRK president, all the people of the nation are overwhelmed by sadness. In this situation, a ceremony to express condolences before the respected and beloved leader's bier was solemnly held yesterday in Pyongyang, the capital of the revolution.

Comrade Kim Chong-il, chairman of the DPRK Defense Committee and supreme commander of the Korean People's Army, paid a visit to the the great leader Comrade Kim Il-song's coffin yesterday along with the leading cadres of the party and the government and expressed condolences for his death with the most heartbreaking sorrow.

Comrade O Chin-u, member of the Political Presidium of the Workers Party of Korea Central Committee and minister of the Ministry of People's Armed Force; Comrade Kang Song-san, member of the Political Bureau of the WPK Central Committee and premier of the State Administration; Comrade Yi Chong-ok, Comrade Pak Song-chol, and Comrade Kim Yong-chu, members of the Political Bureau of the WPK Central Committee and vice presidents of the DPRK; DPRK Vice President Kim Pyong-sik, chairman of the Korean Social Democratic Party Central Committee; Comrade Kim Yong-nam, member of the Political Bureau of the WPK Central Committee, vice premier of the State Administration, and foreign minister; Comrade Choe Kwang, member of the Political Bureau of the WPK Central Committee and chief of general staff of the Korean People's Army; Comrade Kye Ung- tae, Comrade Chon Pyong-ho, and Comrade Han Song-yong, members of the Political Bureau of the WPK Central Committee and secretaries of the party Central Committee; So Yun-sok, member of the Political Bureau of the WPK Central Committee, responsible secretary of South Pyongan's Provincial party, and chairman of the People's Committee of South Pyongan Province; Comrade Kim Chol-man, alternative member of the Political Bureau of the WPK Central Committee; Comrade Choe Tae-pok, alternative member of the Political Bureau of the WPK Central Committee and secretary of the party Central Committee; Comrade Choe Yong-nim and Comrade Hong Song-nam, alternative members of the Political Bureau of the WPK Central Committee and vice premiers of State Administration; Comrade Yang Hyong-sop, alternative member of the Political Bureau of the WPK Central Committee and chairman of the Supreme People's Assembly; Comrade Hong Sok-hyong, alternative member of the Political Bureau of the WPK Central Committee and chairman of the State Planning Committee; Comrade Yon Hyong-muk, alternative member of the Political Bureau of the WPK Central Committee, responsible secretary of Chagang Provincial party, and chairman of the People's Committee of Chagang Province; Comrade Kim Ki-nam, Comrade Kim Kuk-tae, Comrade Kim Chung-nin, Comrade So Kwan-hui, and Comrade Kim Yong-sun, secretaries of the WPK Central Committee; Comrade Kim Hwan, Comrade Kim Pok-sin, Comrade Kim Chang-chu, Comrade Kim Yun-hyok, and Comrade Chang Chol, vice premiers of the State Administration; Comrade Yun Ki-pok, chairman of the Economy and Policy Committee of the Central People's Committee; Comrade Pak Nam-ki, chairman of Pyongyang Municipal Administrative and Economic Committee; Comrade Chon Mun-sop, chairman of the State Inspection Committee of Central People's Committee; Yu Mi-yong, chairman of Chondoist Chongu Party Central Committee; and other members of State Funeral Committee participated in the ceremony to express condolence before his bier. Han Tok-su, chairman of the Central Standing Committee of General Association of Korean Residents in Japan, who is now in the socialist fatherland, also took part. [passage omitted]

Scene at Kim's Bier Described

SK1207161994 Pyongyang KCNA in English 1556 GMT 12 Jul 94

["Mourners Stream to President Kim Il-song's Bier"—KCNA headline]

[Text] Pyongyang, July 12 (KCNA)—Anti-Japanese revolutionary fighters, officials of the party, government and administration and economic organs and central organs, representatives of all strata officers and men of the People's Army and school youth and children expressed deep condolences before the bier of the great leader President Kim Il-song today while the whole country is filled with great sorrow at the sad news of his death.

Members of the state funeral committee and guards of honour of three services of the Korean People's Army were standing by the bier.

While the band played the dirge, many wreaths including those from the commissions and ministries of the Administration Council, central organs, units of the Korean People's Army were laid by the bier.

Inscribed on the ribbons hanging from the wreaths were the words "We honour with deepest respect the memory of the great leader Comrade Kim Il-song," "The great revolutionary exploits of the respected leader Comrade Kim Il-song will shine forever," "The great leader Comrade Kim Il-song is immortal", and so forth.

The mourners wept, beating the floor and their chests and were reluctant to leave the bier, overcome with deep grief at the unexpected loss of their great leader, great hero and great father at a historical time when the cause of socialism of Korea was making a long drive and a new phase was opening before the Korean revolution and national reunification.

They firmly resolved to change today's sorrow into strength and courage and exalt Korean-style socialism centred on the masses and accomplish the revolutionary cause of chuche, remaining loyal to the guidance of the dear leader Comrade Kim Chong-il and closely united around him in one mind just as our people have traversed a road of victory, overcoming manifold difficulties and trials for a long period from the dawn of the Korean revolution under the wise leadership of President Kim Il-song.

Meanwhile, workers, cooperative farmers, intellectuals, officers and men of the People's Army and school youth and children across the country laid wreaths and bunches of flowers and expressed condolences before portraits of President Kim Il-song in the mourning places at organs, industrial establishments, cooperative farms, People's Army units and schools.

12 Jul Pyongyang Papers Reviewed

SK1207105494 Pyongyang KCNA in English 1039 GMT 12 Jul 94

[Press review]

[Text] Pyongyang, July 12 (KCNA)—All newspapers here today give the upper part of frontpages to a photo of the bier of the great leader President Kim Il-song which was laid in state at the Kumsusan Assembly Hall.

Under the block-letter title "Mourning Service Solemnly Held Before the Bier of the Great Leader Comrade Kim Il-song" papers carry a photo-accompanied report that Comrade Kim Chong-il, chairman of the National Defence Commission of the Democratic People's Republic of Korea and supreme commander of the Korean People's Army, accompanied by party and state senior officials, expressed deepest condolences before the bier of President Kim Il-song.

Given in the press is news that Chinese President Jiang Zemin visited the Korean Embassy in Beijing to mourn the death of President Kim Il-song and wreaths were sent to the embassy by Deng Xiaoping, party and state leaders and central organs of China.

King of Cambodia Norodom Sihanouk visited the Korean Embassy in China to mourn his death and wreaths were sent by foreign party and state leaders, says the press.

Papers inform the readers that the diplomatic corps, the military attaches' corps and the economic and trade councillors' corps in Korea and foreign guests visited the bier of President Kim Il-song and expressed condolences.

Printed in the press are messages of condolence to Comrade Kim Chong-il from foreign party and state leaders on the death of President Kim Il-song. According to the press, Ugandan and French presidents expressed deep condolences, the Syrian cabinet and the Thai prime minister's office issued communiques, a joint statement was published in Ecuador, the Central Committee [C.C.] of the Britannic Communist Party called an emergency meeting and the executive committee of the C.C., the Revolutionary Socialist Party of Peru adopted a decision on his death. The U.S. side's delegation to the DPRK-USA talks called at the DPRK mission in Switzerland to mourn his death, says the press.

It is also reported in papers that the Central Standing Committee of the General Association of Korean Residents in Japan adopted a decision and overseas compatriots expressed deep condolences, the preparatory committee for the formation of the South side headquarters of Pomminnyon and Sin Chang-kyun, a permanent advisor to it, the National Coalition for Democracy and Reunification and the National Council for Independent and Peaceful Reunification in South Korea expressed condolences and the South Korean people mourned his death with deepest grief.

In an article entitled "The People Make Oath" NODONG SINMUN says that the entire people are making up their minds to become rifles and bombs, fortress and shield in defending with their lives Comrade Kim Chong-il, the destiny of theirs and the banner of invincibility and that the whole party, the entire people and the whole Army are determined to unite around him in one mind as firm as rock.

Under the headlines "The Great Leader Comrade Kim Il-song Was Benefactor of Liberation and Peerless Patriot" and "The Whole Life of Respected Comrade Kim Il-song Was the Most Glorious Life of the Great Leader" NODONG SINMUN and MINJU CHOSON carry pictures on his revolutionary activities.

Under the block-letter titles "The Fatherly Leader Is Always With Our People" and "We Will Change Sorrow Into Strength and Courage and Accomplish the Revolutionary Cause of Chuche" the papers carry pictures of

people of different strata overwhelmed with sorrow and deepest grief at the death of President Kim Il-song and contents of their determination.

More Reports on Kim Chong-il, Succession Issue

Vice Premier Supports Kim Chong-il

SK0907231394 Pyongyang Korean Central Broadcasting Network in Korean 2133 GMT 9 Jul 94

[Statement by Chang Chol, vice premier and minister of culture and art, on Kim Il-song's death, place and date not given—recorded]

[Text] The news on the fatherly leader's death was like a bolt from the blue. I cannot put my grief in words, but shed a shower of tears. Just like all things can live and bloom because there is the sun in the world, the fatherly leader enabled us to prepare the glorious today of our nation, our fatherland, and all of us.

Indeed, I think we would be a bit less sorrowful and heartbroken if the fatherly leader had rested even for a moment in his life. Since he launched into the revolution at an early age, with the firm declaration that he would never return until Korea revived, the fatherly leader had great burdens and hardships for the 20 years of the anti-Japanese revolution and the nearly 50 years of creation and construction.

When we recall him, we cannot but be touched by the great leader's towering efforts to create the chuche-oriented literary idea and to develop revolutionary literature and art during the days of anti-Japanese revolution, and by the many days and nights he stayed up to open and develop the golden age of national literature. Because of the great efforts he made day and night, all our people have been able to enjoy chuche-oriented literature and art. In those days, the fatherly leader warmly led me also and I grew up as a responsible functionary in the art sector of the country.

The great achievements that the respected and beloved leader accumulated for the fatherland and the people will indeed shine in history through generations.

I will convert my grief to a firm faith to even more greatly uphold [to chal patturo mosigo] our dear leader Comrade Kim Chong- il. I will harden as a rock the popular mass-oriented socialism of our own style explored and developed by the fatherly leader. I will also even more thoroughly implement the literature and art line presented by the great leader [yongdoja] of our party and people, who is also a great man [tae kojang] of the chuche-oriented art. By doing so, I will devote my strength and wisdom to the full to endlessly advance the chuche-oriented art in this land.

Chemical Minister Notes Loyalty

SK1007052094 Pyongyang Korean Central Broadcasting Network in Korean 0234 GMT 10 Jul 94

[Statement by Kim Hwan, vice premier of the Administration Council and minister of the chemical industry, on Kim Il-song's death; place and date not given—recorded]

[Text] Until recently, the great leader gave us precious teachings with tireless energetic enthusiasm and warm love directed toward the people. However, when I heard of the quite unexpected and grievous news of his death due to sudden illness, I did not know how to express in words my endlessly sad and heartbroken feelings. Truly, it seems heaven is collapsing and the earth is broken.

What kind of a person was our leader? Our leader was the greatest and most outstanding leader, a man who did not exist in any other world; he was a great man among great men. Our leader created the immortal chuche idea which occupies the highest and most brilliant position in the history of man, and he brilliantly elucidated the future road of our people and the world's revolutionary people. He wasa revolutionary genius and an extraordinary leader [yongdoja].

The respected and beloved leader who advanced along the revolutionary road from his early days elucidated the correct course of our revolution, and under this banner he united the people and smashed the bandits—the Japanese imperialists—as well as achieved the fatherland's liberation.

The great leader successfully carried out the anti-imperialist and anti-feudalistic democratic revolution as well as the socialist revolution in our country. He established a powerful socialist country in which all sectors have developed, including politics, the economy, culture, and national defense.

The great leader was an infinitely benevolent father who devoted his entire life to the people's happiness and future. There is no person today who has not received the outstretched hands of the great leader's warm love and consideration.

The great leader embraced me in his bosom when I was a mere child of 14 year. At that time, I was at a loss about what to do because I had lost a father and had no place to go. He allowed me to study to my heart's content at the Mangyongdae Revolutionary School. Also, during the arduous fatherland liberation war, he allowed me to become a member of his royal guard, embracing me with a political life. During the war, he gave me endless love by sending me abroad to study, and he warmly led me by taking my hand. Thus, today I am entrusted with the country's important responsibility.

Truly the great leader was my real father. The wholehearted devoted energy, pain, and immortal achievements of leadership of the fatherly leader gave only happiness and glory not only to myself but to all the people. This will remain forever in our people's hearts. I will change this great sadness a hundredfold and thousandfold into dreams and into courage in order to thoroughly fulfill the party's revolutionary economic strategy. By doing so, I will brilliantly realize the far-reaching plan to all the more enhance the people's standards of living, a plan which the great leader had so much hoped for while he was alive.

In particular, I will all the more uphold with loyalty the dear General Kim Chong-il, the great leader [yongdoja] of our party and people, and will fight to the end for the completion of the chuche revolutionary cause which was pioneered by the great leader.

Future Under Kim Chong-il Viewed

SK1007035294 Pyongyang Radio Pyongyang in Korean to South Korea 0054 GMT 10 Jul 94

[Unattributed talk]

[Text] Absolutely trusting the people is the motto the respected and beloved leader Comrade Kim Il-song cherished.

The dear leader Comrade Kim Chong-il has noted: Ever since he started on the road of the revolution, the great leader Comrade Kim Il-song has regarded the ties with the masses as a fundamental problem connected with the fate of the revolutionary organization, and has made it his firm principle for these so many years up to the present to stay with the masses always, sharing joy and sorrow, trusting the popular masses, and to push ahead with the revolution and construction, mobilizing the strength and wisdom of the masses.

The popular masses are the masters of the revolution and their might is inexhaustible. On the road of the revolution, on which we must make our way through stern trials and difficulties, the popular masses are those whom we can depend on, and the only road to victory lies in mobilizing the people's strength. The great leader Comrade Kim Il-song made it his cherished opinion and motto to have absolute trust in the people and to serve and benefit the people.

Therefore, the great leader told us functionaries to meet the people whenever we have difficulty and whenever we have sorrow. Thus, because he had absolute trust in the popular masses, the great leader trusted the popular masses whenever there was difficulty, aroused them, and pushed ahead with the revolution and construction.

When some revolutionaries lost heart and were perturbed at the Japanese imperialists' white terror at the early stage of the revolutionary activities, the great leader emphasized that one should depend on the popular masses, and he united the popular masses into a daring anti-Japanese struggle. In the post-war period, the great leader visited the working class of Kangson and initiated the Chollima movement, arousing them to great upsurge. Giving continuous on-the-spot guidance, he discussed the affairs of the country with the people. Thus, the great leader led the revolution and construction, always depending on the people.

The road our revolution has followed tells us many heart-moving stories about the great leader's people-oriented leadership. Among them is a heart-warming story in which he went among the people in a rural village, becoming a farm servant and awakening them to the revolution during the anti-Japanese revolutionary struggle period. There are also heart-moving stories about his developing new operations of the revolution and construction, gaining confidence and encouraged by the simple remarks of a female party member of Nagwon and an elderly woman of Kaesong. The great leader's leadership as noted above was the source of the invincible strength that enabled us to formulate the most correct strategy and tactics suitable for the aspiration of the popular masses and the demand of the revolution at every stage of the development of the revolution and to overcome difficulties and trials by mobilizing the popular masses' inexhaustible strength.

The invariable position of the great leader was to complete with the people the chuche cause that began and advanced with his warm love and devoted service for the people. Thanks to the great leader's noble idea and wise leadership of serving and benefiting the people, with whom he pushed ahead with the revolution with absolute trust in the people, the cause of our-style socialism will continuously advance and triumph overcoming any trials following the road directed by the dear General Kim Chong-il.

Kim Chong-Il Said 'Spiritual Axis'

SK1107023294 Pyongyang Radio Pyongyang in Korean to South Korea 1237 GMT 10 Jul 94

[Unattributed talk: "The Great Leader Comrade Kim Il-song Is Always the Spiritual Axis of Our People"]

[Text] The dear leader Comrade Kim Chong-il noted: The respected and beloved leader Comrade Kim Il-song is the great leader of the revolution who enabled our people to become the happiest and proudest people.

Our people have learned a valuable truth of the revolution from the proud history of our revolution that has been ever-victorious, overcoming stormy circumstances in the severe history under the wise leadership of the great leader Comrade Kim Il-song. We can say the course of exploring, advancing, and achieving the victory of the revolution is the course of attaining truths of the revolution and abundant experience.

A revolution that has created proud victories and feats in severe trials encompasses truths which people need to make into valuable guidelines not only for today but for the future and forever.

Recalling the brilliant history of our revolution, our people are deeply experiencing again the great truth on the secret of the revolutionary victory. The secret is, above all, that people can achieve the victory of the revolution without fail, overcoming any difficulties and trials, when they fight while firmly trusting the great leader [yongdoja] as their spiritual axis [maumui kigung].

Revolutionaries and people should have a firm spiritual axis to walk along the road of the revolution until the end, overcoming manifold difficulties and trials. The leader [yongdoja] of the revolution is the spiritual axis to whom the people carrying out the revolution entrust their destinies under any situation, whether difficult or smooth.

The people who have absolute faith in their leader [yongdoja] never waver under any stormy circumstance and can achieve the ultimate victory by bravely overcoming difficulties and trials with untiring patience.

Our people have been able to achieve great victory in the revolution and construction traversing such a difficult and arduous road of struggle because they have always had the great leader Comrade Kim Il-song as their spiritual axis in living and struggling vigorously.

It was only the great leader that our people believed whenever they had stern periods of trial ever since the pioneering period of the revolution. For the chuche-type revolutionaries and the people, the great leader Comrade Kim Il-song was a great bosom to which they entrusted all their destiny and all their life, and he was their spiritual axis.

The noble truth which the Korean revolutionaries and people learned in the bloody struggle and the invariable conviction which they cherished in the protracted struggle was that of struggling with the firm belief in the great leader so that they can brilliantly pioneer the future of the country and the revolution, and achieve victory.

There have been many adversities and trials surpassing man's imagination on the road of our revolution. Nevertheless, despite the stern trials and difficulties, our people's faith and volition to believe and follow the great leader Comrade Kim Il-song were solidified more firmly. The anti-Japanese revolutionary fighters were able to maintain their fidelity as revolutionaries, crying out that they could see the victory of the revolution even when they were arrested and were being killed by the enemy, because they had the absolute belief in the great leader.

The soldiers of the People's Army were able to block the muzzles of the enemy guns with their fiery [pikkullun] chests and make their way to the supreme headquarters, walking a 1,000-ri in the battle zone, because they had the strong conviction to follow the great leader.

Today, our people are waging a consistent, vigorous struggle against the imperialists for the victory of the revolution because they have a firm spiritual axis.

The Korean revolution has followed the road which has been pioneered and advanced victoriously by the whole-hearted bond and inseparable ties between the great leader and the popular masses. No matter what trials may confront us, our people will never be perturbed but will complete the chuche revolutionary cause pioneered by the great leader generation after generation under the leadership of the dear leader Comrade Kim Chong-il.

Workers' Party Commitee Meets

OW1107155494 Tokyo KYODO in English 1519 GMT 11 Jul 94

[Text] Tokyo, July 12 KYODO—The ruling North Korean Workers' Party's powerful Central Committee appears to be holding a plenary session or a preparatory meeting for its plenary session, the chief correspondent of the Pyongyang bureau of ITAR-TASS NEWS AGENCY said Monday [11 July].

The correspondent told KYODO NEWS SERVICE in a telephone interview from Pyongyang he saw some 100 official cars were parked around the People's Palace of Culture, a huge conference building, in downtown Pyongyang shortly after 7 p.m.

The cars were carrying the insignia of the Korean Workers' Party Central Committee as well as license plates specially set aside for the committee's members, the correspondent said.

The gathering might have been called to have its members throw their weight behind Kim Chong-il, the heir of deceased North Korean leader Kim Il-song, pyongyang watchers said.

The purpose for the gathering could not be independently confirmed.

South Korea said Sunday the North Korean Government ordered all members of the 184-member Central Committee and the 691-member Supreme People's Assembly, the North Korean parliament, to assemble in Pyongyang.

The official announcement of the selection of the younger Kim as the legitimate successor to Kim Il-song will apparently come after his state funeral service, slated for Sunday, the watchers said, since Pyongyang's official media have so far remained mum on this issue.

Meanwhile, YONHAP NEWS AGENCY reported in a dispatch from Hong Kong that North Korea will make an important announcement within a couple of days.

North Korea's ambassador to China told Chinese President Jiang Zemin that the north korean people will show their solidarity with the younger Kim.

The statement was taken by the watchers as implying Pyongyang's resolve to transfer supreme governing authority from Kim Il-song to his son.

It remains unclear whether North Korea will give both the posts of general secretary of the governing party and the presidency of the Pyongyang government—both vacated with the death of Kim Il- song—to the younger Kim.

Loyalty to Kim Chong-il Expressed

SK1207054194 Pyongyang KCNA in English 0516 GMT 12 Jul 94

[Text] Pyongyang, July 12 (KCNA)—Tens of thousands of working people of various strata, soldiers, and school children in Mangyongdae District, Pyongyang, upon hearing the sad news that the great leader President Kim Il-song passed away, the sad news that came like a bolt from the blue, are streaming to the old home of President Kim Il-song in Mangyongdae and mourning his death with bitter grief.

Their hearts are filled with the firm resolution to turn the heart-rending grief into strength of a thousand fold and carry to accomplishment the intention of the great leader President Kim Il-song in his lifetime without fail under the leadership of the dear leader Comrade Kim Chong-il.

The great leader President Kim Il-song said:

"The whole party and the entire people should remain faithful to the leadership of Comrade Kim Chong-il for the defence of our anthropocentric socialism and the successful accomplishment of the revolutionary cause of chuche."

The war veterans in Mangyongdae district, overcome with grief at the death of President Kim Il-song, visit his old home in Mangyongdae every morning and evening to keep it tidy and renew their resolution to hold in high esteem General Kim Chong-il, supreme commander of the Korean People's Army, at the head of the party and revolution and remain loyal to him to the last moments of their lives.

The workers of the Mangyongdae Machine-Tool Factory, the Korean Computer Centre and other factories and enterprises visited the old home of President Kim Il-song and vowed to remain faithful to the leadership of Comrade Kim Chong-il as intended and desired by the great leader.

Hero of labour Paek Hyon-pi, an officer of the Korean People's Security Forces, who has engaged himself in the management of the old home of President Kim Il-song in Mangyongdae for nearly 20 years, overpowering sadness pervading his whole being, vowed to uphold the leadership of General Kim Chong-il, with loyalty with the conviction that we will be ever-victorious because we have him, the greatest commander who descended from heaven.

The students of the Mangyongdae Revolutionary School have stood honorary sentinel day and night by way of an eternal guardian defending the old home in Mangyongdae and its graduates held a meeting at which they volunteered for service in the People's Army, vowing to stand in the foreground in defending and safeguarding our comrade supreme commander with arms, as becomes the graduates of the Mangyongdae Revolutionary School and accelerate national reunification. Mun Sun-hwa, a worker of the Pyongyang General Flour Processing Mill, visited the bronze statue of President Kim Il-song with a ribbon bearing the words "I will remain loyal and filial to Comrade Kim Chong-il", saying she wished our leader could come back to life, if she devoted her heart and all the 70 million people their hearts.

The Korean people will turn today's sorrow into strength of a thousand fold and accomplish the intention of President Kim Il-song in his lifetime, remaining faithful to the leadership of Comrade Kim Chong-il. 12 JUL 0600z rll

'Talk' on Loyalty to Kim Chong-il

SK1207132194 Pyongyang Korean Central Broadcasting Network in Korean 0537 GMT 12 Jul 94

[Unattributed talk: "Our People's Faith and Pledge"]

[Text] It was too unexpected and too sudden news. Rather, the people doubted the news report from newspapers and radio reporters. To our regret, however, the news report that we did not want to believe was found to be true. Even the heavens are shedding tears because he was a great man sent from heaven. Our people have lost the respected and beloved father of the nation whom they respected, loved, and followed so much. How can we compare this great loss with a world without the sun? How can we sweep out this sorrow and pains? The leader [suryong]: What a great surprise this is! The leader: How can you, who loved and cared after our people so much, pass away first, leaving us behind?

His voice that taught us, his warm smile of joy when he met us! We can no longer hear that voice, and we can no longer see that smile. However, we do not want to believe it. Rather, we won't believe it. The leader: Along with the voice of elder (Yi Ki-song), who is crying, the hearts of all the people across the country are filled with sorrow; Korea is weeping.

The leader: Despite your bad physical condition, why did you embark on the road of an on-the-spot guidance a few days ago? It is our deep resentment that we failed to serve you well so that you could take a rest even for a day.

Why did the heavens send the leader to this world and to this land? [passage indistinct]

The feelings of a woman named Yi Ok-sun, (?the daughter-in-law of grandmother Taesong), who was weeping, recalling the whole life of the leader, moved the hearts of the people.

The severe cold weather, hunger, and fatigue in Paektu! However, the great leader surmounted all sorts of hardships by overcoming a series of grave situations and vicious maneuvers by the enemies at home and abroad. Thus, he pioneered the path of the Korean revolution, taking upon himself these heavy responsibilities.

The road of the revolution is said to be arduous. However, there is no more arduous road in the world than the road that our leader traversed in the past. The pain, sufferings, and grievance of a human being cannot be compared to the pain, suffering, and grievance that the leader overcame.

The dear leader Comrade Kim Chong-il has pointed out: To our fatherland and people, the most precious and proud things are all linked with the noble name of the leader [suryong].

A great revolutionary, a peerless patriot, and the nation's father, the respected and beloved great leader was born for the revolution and devoted his everything for the fatherland and people. The respected and beloved great leader took the road of revolution during his childhood. During the long period until the old age of over 80, he wisely led our party and people and consolidated great achievements that will shine forever in the history of our nation and human history.

The respected and beloved great leader founded and brilliantly embodied the immortal chuche idea. He was an outstanding ideologist and theorist, and a genius of leadership who led the revolution and construction to the single road of victory, and a great people's leader, who endlessly loved the people and devoted his everything for the people.

The great leader personified, on the loftiest level, all the personalities and qualifications a great man can possess. He was a great man of great men unanimously adored, admired, and endlessly respected by our people and the people of the world. The entire life of the respected and beloved leader was the most brilliant life of a great revolutionary who had overcome all kinds of severe hardship and arduous storms of revolution only for the fatherland and revolution, and for the working class and the people. It was the most glorious life of a great leader who had continued with the single road of victory by turning disaster into fortune, and trials into favorable conditions with gifted wisdom, outstanding leadership, and indomitable will.

Our fatherland is a fatherland that has been recovered and built up by the great leader's endless love and devotion. Our people's happiness is a happiness that has been groomed and cultivated by the fatherly leader who fertilized it by undergoing all kinds of hardships.

Thus, was it not our people's greatest desire to serve and follow the respected and beloved leader, who had been encountered and upheld for the first time in the 5,000-year history of our nation, for thousands and tens of thousands of years and enjoy all the prosperity in the reunified fatherland generation after generation?

But, the great heart, which had been so ardently beating, embracing the beloved fatherland and people, stopped beating.

At this moment of grief, when our hearts are breaking, what is filling our people's hearts is not only tears. The working class works harder on the machines saying let us wipe out the tears and stand up to exert more efforts and work more revolutionarily.

The cooperative farm peasants rush to the fields with a resolve to raise bumper crops in fields and paddies as the fatherly leader wished; the soldiers of the People's Army hold the weapon of the revolution more firmly with a resolve to firmly defend the party, the country, and the people. Yes, indeed, our people are determined with a firm pledge to have everything the great leader desired and loved brought into full bloom.

People often become pessimistic and weak when grief overtakes them, but despite the greatest grief they have ever suffered, our people are not disappointed. Rather, turning it into strength and courage, they have stood up. What belief enabled them to do so? The Nagwon working class says: Even if the grief is great, we are not pessimistic or disappointed, because the dear comrade leader is at the head of our revolution. As long as the dear comrade leader is with us, we will certainly be victorious, and the great leader's revolutionary cause will be realized brilliantly.

A general-grade officer of a People's Army unit who served at the defense line of the country said: Our officers and men of the People's Army will not be perturbed in the least even if the world changes 100 times, but will uphold the leadership of the comrade supreme commander with loyalty, and protect and defend the comrade supreme commander with guns at the cost of their lives.

Dear leader Comrade Kim Chong-il, we are invigorated and filled with faith in sure victory when we utter his respectable name and picture his intimate image! Because we have with us Comrade Kim Chong-il, the great successor to the chuche revolutionary cause, the outstanding leader [yongdoja] of our party and people, and the supreme commander of our revolutionary Armed Forces, we have a firm faith that we will be certainly victorious in any trials and complicated situation. Because our people have this faith, they do not know of disappointment.

The great leader made an immortal achievement of implanting the axis of this faith in our people. When our people think of this, they are reminded vividly of the great leader's teaching that they should uphold the dear comrade leader, that the destiny of the comrade leader is their and the nation's destiny.

The dear leader Comrade Kim Chong-il, an outstanding politician who is making great historic changes by turning the entire society into a powerful main force—in which the party and the popular masses are integrated into a single social and political organism—and reforming the nature and society on the strength of chuche! The dear leader Comrade Kim Chong-il, who, with an immortal will, courage, outstanding resourcefulness, and art of military operations, is endlessly strengthening and developing our People's Armed Forces into one-a-match-for-100 revolutionary forces strongly prepared in political, ideological, military, and technological terms! Indeed, the dear comrade leader is the people's true leader with both literary and military accomplishments and is the destiny of the comrade leader, the destiny of our people, and the destiny of our fatherland. Our people are the ones who came to cherish this faith in their hearts through their actual experiences.

The dear comrade leader is the one who, with keen insight and zeal, has made the great leader's revolutionary ideas shed its light as a leading idea of the era of independence by reflecting the will and aspiration of our people and the world's people.

The dear comrade leader is the one who, with outstanding leadership ability, has led the revolution and construction, strengthened our party as the chuche revolutionary party, and brought about new changes in works of all fields of politics, economy, and culture the way the great leader desired.

The dear leader Comrade Kim Chong-il is equipped with a great feature of carrying out struggles by devoting his all for the people and believing in the people as the way. The people call his politics the politics of love and faith and broad-minded politics!

The dear leader Comrade Kim Chong-il, who looked down on and gave shameful defeats to the imperialists when the rascals attempted to put pressures and threats on the Republic, the bulwark of socialism, in all fields of politics, economy, military, and culture!

Our People's Army and people uphold the dear leader Comrade Kim Chong-il as the supreme commander of the Korean People's Army and the chairman of the National Defense Committee of the DPRK. This is an expression of their firm will to consummate the chuche revolutionary cause to the end under his leadership and their admiration for his greatness and revolutionary accomplishments.

Because the dear comrade leader leads us in our country, everything went well in the past and will go well in the future as well; the era of WPK under the leadership of the dear leader Comrade Kim Chong-il will become an endlessly glorifying era of prosperity. This is the belief our people have come to cherish through their experiences.

At this very moment, our people's hearts are unanimously running toward the Central Committee of our party where the dear comrade leader is standing.

Let us all the more firmly unite around the dear comrade leader! By faithfully upholding the dear comrade leader's leadership, let us realize to the end the chuche revolutionary cause pioneered by the great leader by inheriting the cause generation after generation! This is the determination and pledge made by our people who stand on their own feet again by replacing their sorrow with strength and courage. The Korean revolution with the dear comrade leader in its vanguard, will stream along the one road of victory without a hitch.

Let us, functionaries, strengthen even more our society's single-hearted unity by taking a train to the people and mingling with the popular masses!

Let us, working people, farmers, and intellectuals, become a supporting stone assisting the party's cause with our labors and knowledge!

Let us, soldiers of the People's Army, fight at the cost of our lives for the dear comrade leader and resolutely defend the dear comrade leader, the destiny of our people!

Let us, people, set up an eternal monument that will inherit the great leader's revolutionary achievements for all generations to come to the consummation of the chuche revolutionary cause and the national reunification by upholding the dear comrade leader and faithfully upholding his leadership!

Party Official: No Decisions Yet

OW1207114794 Tokyo KYODO in English 1108 GMT 12 Jul 94

[Text] Beijing, July 12 KYODO—An official from the North Korean Workers' Party told a visiting Japanese international affairs expert in Pyongyang that a decision on who will replace the late President Kim Il-song will not be made until after the mourning period.

The unnamed official also said likely discussions on an upcoming North-South Korean summit and the resumption of high-level U.S.-North Korean talks in Geneva will likewise not take place until after the mourning period scheduled to end July 17.

Kaoru Nakamaru, chairwoman of the Tokyo-based International Affairs Institute for World Peace, was in Pyongyang when Kim passed away last Friday [8 Jul] and disclosed the contents of her recent talks with North Korean officials to reporters Tuesday at Beijing Airport.

Nakamaru said the official basically denied rumors that the Central Committee of the North Korean Workers' Party had met to choose a new party general secretary, a position also held by Kim, and that the gathering of the country's top leaders was only to mourn the passing of their leader.

Routine work of the North Korean Government has ceased due to the nine-day mourning period, so such a meeting would not be possible, Nakamaru quoted the official as saying.

Concerning the north-south summit, Nakamaru said the official's statements appeared to indicate the north is planning to continue summit preparations.

The official indicated that due to the untimely death of Kim Il-song the previously agreed date of July 25-27 for the summit with South Korean President Kim Yong-sam obviously could not be met, and that a new summit date would have to be negotiated, Nakamaru said.

The North Koreans appeared ready to send Kim Yong-sun, head of the Reunification Policy Committee, to the truce village of Panmunjom as head of their reunification delegation to negotiate a new date, and that the summit venue of Pyongyang would not change, she said.

Concerning the high-level talks between the United States and North Korea, the North Korean official indicated that after a period of transition and renewed preparations, they will be ready to resume the talks, she said.

A diplomatic source in Pyongyang also said Tuesday none of the diplomats there has heard that the Workers' Party of Korea picked Kim Chong-il on Monday night as the party's general secretary.

Some South Korean media have reported it is highly likely that Kim Chong-il was picked.

The source said in a telephone interview with KYODO NEWS SERVICE that North Korea has not changed the date of the funeral for the late President Kim Il-song slated for Sunday.

Pyongyang has remained calm, and tens of thousands of citizens apparently visited a gigantic statue of Kim Il-song on the day to mourn for him, the source said.

Meanwhile, North Korean Ambassador to Finland Kim Pyong-il, the half brother of Kim Chong-il, was apparently among the mourners for the late president at his presidential palace, South Korean television reported.

Some observers say the two sons of Kim Il-song have not been getting along well, and foreign governments are paying attention to see whether Kim Pyong-il may take a part in the new power structure.

Kim Pyong-il is not involved in the State Funeral Committee for the late president chaired by Kim Chong-il.

South Korea's Munhwa Broadcasting Corp. (MBC) said it found a man who appeared to be Kim Pyong-il in the footage aired by Pyongyang's Korean Central Television Station on Monday.

According to the picture obtained by MBC, the man stood in a line behind Kim Chong-il and O Chin-u, minister of North Korea's People's Armed Forces.

According to China's official XINHUA NEWS AGENCY, Kim Song-ae, wife of the deceased president, was also among the mourners and beside the body of her husband.

Kim Song-ae, mother of Kim Pyong-il and mother-in-law of Kim Chong-il, is reported not to have been getting along well with her son-in-law.

More Reports on International Condolences

PRC's Jiang Zemin Visits Embassy

SK1107160194 Pyongyang KCNA in English 1519 GMT 11 Jul 94

[Text] Pyongyang, July 11 (KCNA)—Comrade Jiang Zemin, general secretary of the Central Committee of the Communist Party of China, president of the People's Republic of China and chairman of the Military Commission of the C.C. [Central Committee], the CPC, visited the Korean Embassy in Beijing today to express deep condolences on the death of Comrade Kim Il-song, general secretary of the Central Committee of the Workers' Party of Korea and president of the Democratic People's Republic of Korea.

He was accompanied by vice-chairman of the Military Commission of the C.C., the CPC Liu Huaqing and member of the Secretariat of the C.C., the CPC Hu Jintao who are members of the Standing Committee of the Political Bureau of the C.C., the CPC, Vice-premier and Foreign Minister Qian Qichen, secretary of the Beijing Municipal Committee of the CPC Chen Xitong who are members of the Political Bureau of the C.C., the CPC, vice-chairman of the Military Commission of the C.C., the CPC Zhang Zhen, Defence Minister Chi Haotian, and Luo Gan, Zhang Wannian, Li Shuzheng, Wu Yi and Tian Zengpei who are members of the C.C., the CPC and other party and state senior officials.

Hung on the wall of the mourning hall facing the door was a portrait of President Kim Il-song, beneath which there were wreaths sent by Jiang Zemin, Deng Xiaoping, Li Peng, Chen Yun, Qiao Shi, Li Ruihuan, Peng Zhen, Zhu Rongji, Liu Huaqing, Hu Jintao, Qian Qichen, Yang Shangkun, Wan Li, Yao Yilin, Song Ping, Bo Yibo and Zhang Zhen and by the C.C., the CPC, the State Council of the PRC and other party, government, Army and state organs and social organizations.

While the dirge sounded, Jiang Zemin paid a minute's silent tribute before the portrait of the great leader with his companions, expressing deep condolences.

He wrote in the mourner's book:

"President Kim Il-song will be alive eternally.

[Dated] July 11, 1994.

[Signed] Jiang Zemin."

He told the Korean ambassador that he could hardly repress grief at the sad news that President Kim Il-song passed away.

He said:

"We express deep condolences to the party, the government and all the people of Korea and extend the most sincere sympathy to them.

"We hope that the Korean comrades will overcome the sorrow.

"We believe that the Korean people will surely carry forward the revolutionary cause by inheriting what Comrade Kim Il-song intended in his lifetime, united closely around the Workers' Party of Korea headed by Comrade Kim Chong-il."

Cambodia's Sihanouk Mourns Kim

SK1107160994 Pyongyang KCNA in English 1522 GMT 11 Jul 94

[Text] Pyongyang, July 11 (KCNA)—His Majesty King Norodom Sihanouk of Cambodia visited the DPRK Embassy in Beijing today to mourn the death of President Kim Il-song of the Democratic People's Republic of Korea.

The King laid a wreath before the portrait of President Kim Il-song in the mourning hall and observed a long silence as a tribute to his memory.

Written on the ribbon of the wreath are the words "Deepest condolences in memory of His Excellency Generalissimo Kim Il-song, president of the Democratic People's Republic of Korea. Norodom Sihanouk, King of the Kingdom of Cambodia."

The Cambodian King wrote in the mourners' book:

"The Kingdom of Cambodia and people, my family and myself express sincerest condolences over the death of respected Generalissimo President Kim Il-song of the Democratic People's Republic of Korea, the most intimate comrade of the Kingdom of Cambodia and a historic hero and fighter of Korea who fought for the third world peoples and for peace, freedom, prosperity and justice."

Chongnyon Organizes To Mourn Death

SK1107162894 Pyongyang KCNA in English 1525 GMT 11 Jul 94

[Text] Tokyo, July 11 (KNS-KCNA)—The Central Standing Committee of the General Association of Korean Residents in Japan (Chongnyon) on July 9 decided to organize work to mourn the death of the great leader Generalissimo Kim Il-song.

According to the decision, the period from July 9 to 17, 1994, will be set as the mourning period for Generalissimo Kim Il-song.

The mourning committee to honor the memory of Generalissimo Kim Il-song will be formed and a mourning delegation of Chongnyon consisting of delegates of Chongnyon centre and central organisations, enterprises, headquarters of Chongnyon and its branches will be sent to the homeland.

A central memorial service of Koreans in Japan for bidding the last farewell to Generalissimo Kim Il-song will be held solemnly at the Korean house of culture in Tokyo at 11:00 on July 17, 1994.

State, Party Leaders Send Messages

SK1207122494 Pyongyang KCNA in English 1027 GMT 12 Jul 94

[Text] Pyongyang, July 12 (KCNA)—Messages of condolence came to the dear leader Comrade Kim Chong-il from foreign state and party leaders on the death of Comrade Kim Il-song, general secretary of the Central Committee of the Workers' Party of Korea and president of the Democratic People's Republic of Korea.

Among them are messages from president of the Arab Republic of Egypt Muhammad Husni Mubarak, leader of the great September first revolution of the great Socialist People's Libyan Arab Jamahiriya Mu'ammar al-Qadhdhafi, President of the Republic of Guinea Lansana Conte, chairman of the Central Committee of the Lao People's Revolutionary Party and Premier of the Government of the Lao People's Democratic Republic Khamtai Siphandon, president of the Lao People's Democratic Republic Nouhak Phoumsavan, prime minister of the Islamic Republic of Pakistan Benazir Bhutto, president of the Republic of Maldives Maumoon Abdul Gayoom, president of Ukraine L.M. Kravchuk, president of the Republic of Macedonia Kiro Gligorov, president of the State of Palestine, chairman of the Executive Committee of the Palestine Liberation Organisation and head of the Palestinian national authority Yasir 'Arafat, president of the Swiss Confederation Otto Stich, president of the State of Mongolia Punsalmaagiyn Ochirbat, president of the Islamic Republic of Iran Akbar Hashemi Rafsanjani, prime minister of the Republic of India P.V. Narasimha Rao, president of the Islamic Republic of Mauritania Maaouya Ould Sid Ahmed Taya, president of the Islamic Republic of Pakistan Sardar Farooq Ahmad Leghari, Emir of the Sultanate of Oman Qabus Bin-Sa'id Al Sa'id, general secretary of the Central Committee of All-union Bolshevik Communist Party Nina Andreyeva, acting chairman of the Japan Social-Democratic Party Wataru Kubo and King of Nepal Birendra Bir Bikram Shah Dev.

The messages express sincere condolences on the death of President Kim Il-song and say that he was a man possessed of rare leadership ability and led the anti-imperialist struggle and the world revolution with the spirit of devotion, grit and consistency.

They express firm conviction that the Korean people will turn sorrow into strength of singlehearted unity and carry the guiding idea and cause of the great leader President Kim Il-song to accomplishment.

A message of condolence came to the Central Committee of the Workers' Party of Korea, the Central People's Committee of the Democratic People's Republic of Korea and the Administration Council of the DPRK from the Central Committee of the Communist Party of Vietnam, the president of the Socialist Republic of Vietnam, the Standing Committee of the National Assembly of the Socialist Republic of Vietnam and the Government of the Socialist Republic of Vietnam.

Noting that comrade Kim Il-song was an outstanding revolutionary fighter, the message says that the august name of Comrade Kim Il- song and his exploits will remain forever in the minds of the peoples of Korea and Vietnam.

Pakistani Leader Visits Embassy

SK1207154594 Pyongyang KCNA in English 1514 GMT 12 Jul 94

[Text] Pyongyang, July 12 (KCNA)—Pakistani Prime Minister Benazir Bhutto visited the DPRK Embassy in Islamabad on July 10 to mourn the death of the great leader President Kim Il-song.

The prime minister expressed condolences and wrote in the mourners' book:

"President Kim Il-song is widely known as a great leader who has worked with all devotion for the Korean people.

The Pakistani people are well aware that he and the former Pakistani prime minister, Julfiqar Ali Bhutto, established excellent friendly relations between the two countries.

"Today I recall his wise political genius and the impressions I got from it during my visit to the Democratic People's Republic of Korea.

"At that time, President Kim Il-song looked very healthy.

"We have been waiting for his visit to Pakistan.

"But, his unexpected death left our Pakistani Government and people in deep grief and sorrow.

"His outstanding natural gift and leadership are recognised not only in our region but also in the world.

"I express deepest condolences to his bereaved family and the government and people of the Democratic People's Republic of Korea.

[Signed] Benazir Bhutto,

[Dated] July 10, 1994."

Then, she told the Korean ambassador:

"I believe the Korean people who have his excellency the dear leader Kim Chong-il as their illustrious leader will continue to advance vigorously for the reunification and prosperity of Korea.

"I believe the Korean people under the wise guidance of his excellency the dear leader Kim Chong-il will successfully and smoothly solve all the problems as desired by His Excellency President Kim Il-song in his lifetime.

"And I hope His Excellency Kim Chong-il, the illustrious leader of the Korean people, will certainly accomplish the cause of his excellency the great President Kim Il-song.

"Today the Pakistani people share the grief and sorrow of the Korean people who have lost his excellency president who had so great a leadership ability.

"I will actively work to further expand and develop the friendly relations between the two countries through generations as desired by his excellency the great President Kim Il-song and His Excellency Julfiqar Ali Bhutto in their lifetime."

More on Embassy Condolence Visits

SK1107110594 Pyongyang Korean Central Broadcasting Network in Korean 0800 GMT 11 Jul 94

[Text] Comrade Jiang Zemin visited our country's embassy in China to express his condolence on the death of the great leader Comrade Kim Il-song.

On the death of the great leader Comrade Kim Il-song, general secretary of the Central Committee of the Workers Party of Korea [WPK] and president of the DPRK, Comrade Jiang Zemin, general secretary of the CPC Central Committee, president of the PRC, and chairman of the CPC Central Military Commission, called at our country's embassy in China and paid respects on the morning of 11 July.

China's party and state leaders, such as Liu Huaqing, Standing Committee member of the Political Bureau of the CPC Central Committee and vice chairman of the Central Military Commission; Comrade Hu Jintao, Standing Committee member of the Political Bureau of the CPC Central Committee and member of the Secretariat of the CPC Central Committee; Comrade Qian Qichen, member of the Political Bureau of the CPC Central Committee, vice premier of the State Council, and foreign minister; Comrade Chen Zitong, member of the Political Bureau of the CPC Central Committee and secretary of the CPC Beijing Municipal Committee; Comrade Zhang Zhen, member of the Political Bureau of the CPC Central Committee and vice chairman of the Central Military Commission; Comrade Chi Haotian, national defense minister; and Luo Gan, Zeng Qinghong, Zhang Wannian, Li Shuzheng, Wu Yi, and Tian Zengpei, members of the CPC Central Committee, visited the embassy in China and expressed their condolences along with Comrade Jiang Zemin.

In front of the bier, the portrait of the great leader Comrade Kim Il-song was placed with black ribbons attached on it. In front of the mourning place [chouisik], portrait of the great leader Comrade Kim Il-song, were wreaths presented by Comrades Jiang Zemin, Deng Xiaoping, Li Peng, Chen Yun, Qiao Shi, Li Ruihuan, Peng Zhen, Zhu Rongji, Liu Huaqing, Hu Jintao, Qian Qichen, Yang Shangkun, Wan Li, Yao Yilin, Song Ping, Bo Yibo, and Song Renqiong.

Wreaths were also sent from China's party, government, military, state organizations, and civic organizations, including the CPC Central Committee and the State Council of the PRC.

In the mourning place, Chu Chang-chun, our country's ambassador to China, and other embassy officials greeted the guests.

Comrade Jiang Zemin, along with other party and government leaders, observed a minute's silence before the great leader's portrait amid the play of a dirge and expressed his condolence.

Comrade Jiang Zemin wrote on the memorial book: "Eternal glory to President Kim Il-song.

[Signed] Jiang Zemin, 11 July 1994."

He then met with Chu Chang-chun, our country's ambassador to China. Saying that he was deeply grieved on hearing the death of President Kim Il-song caused due to the illness, he said: "I offer my profound sympathy to the WPK Central Committee, the DPRK Government, and the Korean people and send the most sincere consolation. We firmly believe that the Korean comrades will overcome their grief and carry forward the revolutionary cause by inheriting President Kim Il-song's lifetime wishes, closely rallying around the WPK headed by Comrade Kim Chong-il."

In this way, Comrade Jiang Zemin called at our country's embassy in China and expressed his condolence on the death of the great leader Comrade Kim Il-song.

More Foreigners Express Condolences

SK1207103094 Pyongyang KCNA in English 1012 GMT 12 Jul 94

[Text] Pyongyang, July 12 (KCNA)—Foreign political and public figures and press media expressed deep condolences on July 9 on the death of the great leader President Kim Il-song.

The Ugandan president, Yoweri Kaguta Museveni, when he received the DPRK ambassador to his country Chon Kyong-chol, said that the death of the respected great president came to him as the deepest sadness and shock.

He said:

"I and the Government of Uganda will always remember the immeasurable, tireless efforts and constant solicitude of the great President Kim Il-song for the freedom and happiness not only of the Korean people but also of the entire African peoples.

"The Ugandan Government will continue to strengthen and develop the friendly and cooperative relations with the Democratic People's Republic of Korea and extend invariable support and solidarity to the Korean people in their struggle for the independent and peaceful reunification of the country."

Indalicio Sayago, general secretary of the Socialist People's Party of Mexico, visited the DPRK Embassy in his country and expressed deep condolences on the death of President Kim Il-song.

He said the death of Comrade Kim Il-song is a big loss to the Korean revolution and the international communist movement.

Saying that a rare great man is gone, he stressed: "But the victory of the Korean revolution is firmly guaranteed by the leadership of dear Comrade Kim Chong-il."

Ryosho Hayashi, chief director of the Japan-Korea Cultural Interchange Association; Shushan Ota, chairman of the Japan-Korea Religious Interchange Association; Roberto Romulo, Philippine foreign minister; Denisov, deputy departmental director of the Ministry of Foreign Affairs of Russia; former vice-president of the Supreme Soviet of the USSR; and many other political and public figures, and the Communist Workers' Party of Russia and the All- union Bolshevik Communist Party expressed deep condolences.

THE NEW YORK TIMES, radio of Burkina Faso, Ostankino television of Russia, radio and television of Madagascar, radio and television of the Congo and radio of Mozambique published articles expressing deep condolences on the death of President Kim Il-song.

Paper Urges Koreans To 'Pool' Strength

SK0907112994 Pyongyang KCNA in English 1106 GMT 9 Jul 94

["We Must Join Hands on Road of National Reunification"—KCNA headline]

[Text] Pyongyang, July 9 (KCNA)—All the members of the nation who desire reunification and are interested in it should turn out actively in the accomplishment of the common cause, says NODONG SINMUN in a by-lined article today.

The author of the article notes:

The reunification question vital to the nation can never be resolved by the efforts of the authorities alone or any specified strata and class. The driving force of national reunification is the entire Korean nation. It is as clear as noonday that when the whole nation fulfills its responsibility and role in the struggle for national reunification, the reunification question can be settled with success in the common interests of the nation.

If the North and the South are to pool their strength and the people of all strata are to rise up in the movement for national reunification, all the conditions of political activities needed for it should be created. And the freedom of discourse of national reunification and activities for it must be guaranteed to the people first of all.

The debate on reunification and dialogue for it must not be monopolized by the authorities. Anyone who aspires after reunification must be allowed to discuss the reunification and have dialogue for it.

To criminalize the people's debate on reunification and dialogue for it and suppress them on charges of "benefitting the enemy" is not a stance to achieve the national reunification by concerted efforts of the nation.

Acts of obstructing reconciliation and unity of the nation, such as suppression for the reason of difference in political view, must no more be repeated.

When the people of all segments in the North and the South turn out in the movement for national reunification, joining hands with one another for the common interests of the nation, the day of national reunification, the cherished desire of the nation, will draw nearer.

Murayama on 'Peaceful Solution' to Nuclear Issue

SK0907110094 Pyongyang KCNA in English 0959 GMT 9 Jul 94

[North Korea's 'Nuclear Issue' Must Be Solved Peacefully Through Dialogue, Japanese PM"—KCNA headline]

[Text] Pyongyang, July 9 (KCNA)—The Japanese Prime Minister Tomiichi Murayama in a talk with Tetsuzo Fuwa, chairman of the Communist Party, said he consistently contended that a peaceful solution to the "nuclear issue" of North Korea through dialogue should be found, according to the Japanese NHK on July 5.

The chairman of the Communist Party of Japan said that the "nuclear suspicion" of North Korea must be solved through dialogue under any circumstance.

Premier Meets With Chongnyon Official

SK0907112094 Pyongyang KCNA in English 1056 GMT 9 Jul 94

[Text] Pyongyang, July 9 (KCNA)—Premier of the Administration Council Kang Song-san [third on the funeral committee list] on July 8 met and had a conversation in a compatriotic atmosphere at the Mansudae Assembly Hall with the joint venture economic delegation of the General Association of Korean residents in Japan (Chongnyon) headed by Choe Pyong-cho, vice-chairman of the Chongnyon Central Standing Committee staying in the socialist homeland.

Present was Kim Song-hwan, general director of the General Bureau of the Joint-Venture Industries [264th on the funeral committee list].

More on 'Anti-Japanese' Revolutionary Hero

SK0907110794 Pyongyang KCNA in English 1005 GMT 9 Jul 94

[Text] Pyongyang, July 9 (KCNA)—A national meeting of youths and students was held in front of the bronze statue of Kim Hyong-chik, an indomitable revolutionary fighter, erected in Ponghwa-ri in the suburbs of Pyongyang on July 8 to vow to glorify the idea of "aim high" through generations on the occasion of his centennial birth anniversary.

Choe Yong-hae, chairman of the Central Committee of the League of Socialist Working Youth of Korea [102d on funeral committee list], delivered a report, which was followed by speeches.

The reporter and speakers said that Kim Hyong-chik embarked upon the road of the anti-Japanese revolutionary struggle with his will for "aim high" and covered an untrodden path of history.

His idea of "aim high" is not a secular lesson of life laying stress on personal honor or fame but a revolutionary outlook on life enjoying true pride and happiness in the struggle for the country and the nation and an indomitable revolutionary spirit that the liberation of the country should be achieved through fight generation after generation, they said, and continued:

It is also a great idea run through with the spirit of national independence and patriotic stand that one must oppose aggression and subjugation, oppression and exploitation, love the country and the people, believe the strength of one's people and build it up to achieve the liberation of the country and national independence and, furthermore, build a civilized new society in the liberated country. Pointing out that the noble idea of "aim high" has been carried forward under the wise guidance of the great leader President Kim Il-song, they recalled that the great leader has built a powerful socialist country of chuche in this land and provided the Korean people with an independent and creative life.

The Korean revolution associated with the idea of "aim high" of Kim Hyong-chik and pioneered by the great leader has been developed in depth under the outstanding and tested leadership of the dear leader Comrade Kim Chong-il, they stressed.

Vice Premier Attends Mongolian Embassy Function

SK0907102894 Pyongyang KCNA in English 1011 GMT 9 Jul 94

[Text] Pyongyang, July 9 (KCNA)—Mongolian Ambassador to Korea Sh. Gungaadorj hosted a reception in

Pyongyang on July 8 on the occasion of the 73rd anniversary of the Mongolian people's revolution.

The ambassador said in his speech that the Mongolian Government has supported and will continue to support in the future the peaceloving foreign policy of the Democratic People's Republic of Korea and its proposals and efforts for the peaceful reunification of the country.

He wished success to the third round of DPRK-USA talks and the inter-Korean top-level talks.

He noted with satisfaction that cooperation between Mongolia and the DPRK in the economic, cultural, scientific and technical, health care, agricultural and other domains are developing fast and expressed the belief that the friendly and cooperative relations forged between Mongolia and Korea would develop in scope in the future.

Vice Premier Hong Song-nam in his speech said that the victory of the people's revolution in Mongolia was a historical event which opened a road of social progress and prosperity to the Mongolian people. "The Mongolian people have made enormous achievements in their work to develop the national economy and culture, surmounting difficulties and obstacles, over the past 73 years," he added.

He said the Korean people sincerely rejoice at the achievements made by the Mongolian people and wish them greater success in the future.

"The Korean people," he declared, "will make every possible effort to further develop the friendly and cooperative relations with the Mongolian people in the efforts to build a new Asia, independent, peaceful and prosperous."

South Korea

Reports on Situation After Kim's Death Continue

Funeral Plans for Kim Il-song

SK0907054494 Seoul YONHAP in English 0532 GMT 9 Jul 94

[Text] Seoul, July 9 (YONHAP)—The body of North Korean leader Kim Il-song will lie in state in Pyongyang's Kumsusan Assembly Hall to be viewed by mourners for six days beginning Monday, the South's North Korea watcher NAEWOE Press said Saturday.

North Korea has set July 8-17 as the mourning period for Kim's death but decided not to accept mourning delegations from abroad, according to Naewoe.

The North Koreans will hold a mass rally in Pyongyang to mourn the death of their leader July 17, when a gun volley will be fired and locomotives and ships are to blow their whistles for three minutes in Pyongyang and provincial capitals across North Korea, according to Naewoe.

During the mourning period, the North Korean Government has banned all entertainment, songs and dancing.

The North Korean Government formed a committee for the funeral service comprising all political bureau members and alternates including Kim's son and heir-apparent Kim Chong-il, minister of the People's Armed Forces O Chin-u, Prime Minister Kang Song-san, Vice Presidents Yi Chong-ok, Pak Song-chul and Kim Yong-chu, and Minister of Foreign Affairs Kim Yong-nam, NAEWOE said.

South Reacts With 'Shock'

SK0907064194 Seoul YONHAP in English 0620 GMT 9 Jul 94

[Text] Seoul, July 9 (YONHAP)—South Koreans reacted to North Korean leader Kim Il-song's death Saturday with shock and feelings of emptiness.

Upon hearing the news, workers froze in their tracks while leaving their offices and large crowds were glued to television sets at lunch time.

The immediate questions concerned what would happen to the inter-Korean summit later this month, which had been anticipated with high hopes, and who would inherit North Korea's leadership.

"I hope the government will look into every possibility and prepare unmistakable measures to counter any confusion in inter-Korean matters arising from Kim's death," said Park Sang-mun, a 37-year-old office worker.

"The mood for dialogue was ripening, but Kim's sudden death is likely to have a negative impact on future inter-Korean relations," Seoul National University Professor Kil Soung-heum predicted.

Yim Soo-kyung, a graduate student who was jailed for making an unauthorized visit to North Korea, said she was sorry to hear the news, remembering that Kim seemed healthy when she met him in 1989. Nevertheless, she voiced optimism about the future of Seoul-Pyongyang relations.

"Kim was identified as part of national division, so his death may actually hasten the country's reunification," she said.

Long-time dissident Paek Ki-wan urged the people and the government to accept the new development and warned both adventurists and hard-liners against abusing Kim's death or provoking a South-North Korean confrontation.

Hanchongnyon, the National Federation of University Student Councils, reacted with agitation, saying only that its official position is yet to be made public.

"But the inter-Korean summit must be held even if it has to be delayed considerably," said one member of the student activists group.

"We are concerned that the conservative forces in South Korea may harm the mood of reconciliation, using Kim's death as an opportunity," he said.

YONHAP on North Korean Mourners

SK1007061694 Seoul YONHAP in English 0546 GMT 10 Jul 94

[Text] Seoul, July 10 (YONHAP)—North Korean citizens are flocking to the statues of their late leader Kim Il-song from early dawn to pay their respects, the North Korean Central News Agency reported Sunday [10 July].

"The entire party, the population and the military are expressing their deepest regrets at the passing of comrade Kim Il-song," the agency said, monitored here by official North Korea watcher Naewoe Press.

It said unending lines of Pyongyang citizens were flocking to the biggest statue on the hills of Mansudae with "burning tears."

It said the tears were not those from grief but "turning into tears of oath to complete to the end the great revolutionary tasks of self-reliance pioneered and led by the great leader."

Meanwhile, North Korean broadcasts were generating a mood where the deceased leader's son Kim Chong-il was depicted as the new leader.

Choe Yong-hae, chairman of the League of Socialist Working Youth of Korea, swore his loyalty to the junior Kim and pledged to turn the 8 million youths into a vanguard of protection and support for Kim Chong-il.

Vice Premier Chang Chol and alternate member to the Workers' Party Central Committee Hong Sok-hyong declared the work begun by Kim Il-song will be fulfilled "as long as there is Kim Chong-il."

They called the junior Kim their "fate," "another eminent leader."

Minister, Christopher Consult

SK1107013294 Seoul YONHAP in English 0042 GMT 11 Jul 94

[Text] Seoul, July 11 (YONHAP)—South Korean Foreign Minister Han Sung-chu phoned his U.S. counterpart Warren Christopher Sunday to discuss developments on the Korean peninsula after the death of Kim Il-song, a Foreign Ministry spokesman said.

It was the second time in two days that Minister Han has spoken over the telephone with Christopher, currently in Naples, Italy, for a summit of the Group of Seven (G-7) advanced industrial nations, said the spokesman.

During the phone call, Han discussed the transition of power to Kim Il-song's son and heir-apparent, Chong-il, and the prospects for the Washington-Pyongyang high-level talks in Geneva, he said.

The two shared the view that a thorough check of the security preparedness of both South Korea and the United States is needed to prepare for any emergencies.

They also agreed to maintain close cooperation in coping with developments on the Korean peninsula, according to the spokesman.

Stock Prices Fall Moderately

SK1107092794 Seoul YONHAP in English 0856 GMT 11 Jul 94

[Text] Seoul, July 11 (YONHAP)—Share prices fell moderately at the Korean Stock Exchange on Monday, the first trading day after the announcement of North Korean President Kim Il-song's death.

The leading composite stock price index was down 7.54 points from the weekend to finish at 948.84.

The decline was less steep than expected earlier. Many market observers foresaw the North Korean leader's death, which gave rise to the uncertainty of the direction of the inter-Korean relations, would bring about a sharp crash at the bourse.

Trading was rather heavy with volume reaching 50.9 million shares and turnover 960 billion won (1,192.54 million U.S. dollars).

The large volume, resulting from a heavy tug-of-war between buying and selling, indicates players had conflicting views of the effect Kim Il-song's death would have on inter-Korean relations, an analyst said.

Declining issues overwhelmed advancers 595 to 241 with 51 others remaining unchanged.

North Prevents Foreigners' Entrance

SK1107111294 Seoul KBS-1 Radio Network in Korean 1000 GMT 11 Jul 94

[Text] Japan's NHK television reported from Beijing on 11 July that North Korea completely blocked people and vehicles from passing through Tomun city, situated at the foot of Tumen River, where border trade between China and North Korea is actively taking place.

NHK television reported this, quoting a Beijing source, and revealed that it seems that North Korea will allow people and vehicles to pass through this area after 17 July, after Kim Il-song's funeral. It also reported that North Korea's Koryo Air, which flies between Beijing and Pyongyang, will by no means allow foreigners to ride this plane until after Kim Il-song's funeral.

North To Allow Foreign Mourners

SK1207011494 Seoul YONHAP in English 0059 GMT 12 Jul 94

[Text] Tokyo, July 12 (YONHAP)—North Korea will accept foreign mourners for the late President Kim

Il-song after mid- August, a plan which has been unofficially notified to the Japanese Social Democratic Party, it was learned here Tuesday.

Accordingly the Socialist Party, which has long maintained a close relationship with the North Korean Workers' Party, plans to dispatch a mourning delegation to Pyongyang after the middle of next month headed by Chief Secretary Wataru Kubo.

The socialists had planned to send a mourning delegation to Kim's funeral on July 17 before Pyongyang announced that foreign mourners would not be permitted.

The party will also have Kubo visit the headquarters of Chochongnyon (the pro-Pyongyang Federation of Korean Residents in Japan) to express condolences over Kim's death. But Socialist cabinet members will abstain from making a condolence call in consideration of the present Japanese coalition government's diplomatic relations with South Korea.

Meanwhile, Japanese Deputy Premier and Foreign Minister Yohei Kono sent a telegram Monday to the North Korean Rodong (Workers') Party Central Committee through Chochongnyon expressing sympathy for the death of Kim.

In the telegram Kono, who is also chairman of the Liberal Democratic Party, said that "We hope your country (North Korea) can overcome the sorrow and push for an open policy to realize efforts for peace including the inter-Korean summit and U.S.-North Korea talks."

N-S Trade Continues During Mourning

SK1207035594 Seoul TONG-A ILBO in Korean 12 Jul 94 p 1

[By Kim Chung-kun from Beijing]

[Text] It was learned that in spite of the fact that their internal situation is very unstable following President Kim Il-song's death, the North Korean authorities are taking particular care in trying to relieve foreign companies with which they have relations, including ROK enterprises, from anxiety.

The North Korean authorities notified the Beijing branch offices of an S company and a D corporation of the ROK that are exporting raw materials to North Korea for the processing-on-commission trade: "Do not worry."

In this message, the North Korean authorities stressed: "Production activities are still underway even during the period of mourning. We will manufacture and ship on time the items requested by your side. All of our domestic and overseas economic activities are proceeding normally."

Such North Korean moves are assessed as being an indication of the possibility that once the Kim Chong-il system is established, North Korea will pursue an open-door policy.

Controversy Over Condolence Group

SK1207075394

[Editorial Report] Two ROK dailies carried editorials on 12 July to comment on the ongoing controversy of whether the ROK should send a condolence group to North Korea for North Korean leader Kim Il-song's funeral.

Left-leaning HANGYORE SINMUN on page 3 carries an 800-word editorial entitled "Positive Measures Must Be Taken Toward North Korea—Expressing Condolences Is a Symbolic Gesture for Reconciliation."

The editorial first says that the fact that the ROK Government, upon receiving North Korea's message on the postponement of summit talks, expressed its intention to resolve the nuclear issue through dialogue is a "sincere step," adds: "We believe the government must take more positive measures. We mean our government must make it clear that it will hold talks with any North Korean leader, whoever he may be, and take measures favorable to the stability of the new establishment in North Korea." The editorial went on to say that this would serve as an opportunity for the North Korean authorities to realize that the ROK Government is a "reliable dialogue partner, not one which merely follows the footsteps of the United States."

The editorial also says: "In this sense, we think it is correct for the government to express its condolences to President Kim Il-song's death, though we may have to leave our assessment of him to history. And, such condolences can be expressed at an appropriate level, whether it be a condolence message or the dispatch of a group to express condolences."

It adds: "This will relieve North Korean people of anxiety and free the North Korean leadership from its deep-rooted suspicion over South Korea."

Conservative CHUNGANG ILBO on page 3 carries a 1,000-word editorial entitled "Condolences on Kim Il-song's Death?"

The editorial first says that a precondition for sending a condolence group is that there should exist friendship or human relations between two sides concerned, adding that the only human relations between the ROK and Kim Il-song were hostile relations in which he killed or starved millions of fellow countrymen in the Korean war, committed a terrorist act at the Aung San Mausoleum, Burma, and exploded a Korean Airlines plane.

The editorial also says: "Talk of a condolence group is intolerable in view of the people's sentiment in our country, where the war generation is still alive and where wounded soldiers and separated families are still suffering."

Policeman's 'Intelligence' Ignored

SK1207093894 Seoul CHUNGANG ILBO in Korean 12 Jul 94 p 23

[Article by Yi Sang-ho: "Police Knew Kim Il-song's Death Beforehand—The Desk Officer in Charge of Intelligence Received on That Day Ignored"]

[Text] The scene is a restaurant near the Japanese Embassy in Chongno-ku, Seoul at around 2100 at night on 8 July. A police intelligence detective of the ROK police foreign affairs section, was having supper with a Japanese Embassy staff member to gather intelligence. He could not believe his ears when the Japanese Embassy staff member told him: "North Korea will make an important announcement tomorrow, and the announcement is about President Kim Il-song's death." As soon as he got to work the next morning, the police detective made a verbal report on this to the desk. However, the intelligence in question was not taken seriously but was treated lightly as many other intelligence reports. There had been many pieces of intelligence indicating that President Kim Il-song's health was failing this year, but former U.S. President Carter's visit to Pyongyang did not leave any doubt about his health, the desk officer thought.

At 1000 on 9 July, North Korea said it would make an important announcement in two hours. Upon hearing this, the Agency for National Security Planning and other ROK intelligence organizations made inquiries, asking, "Have you not heard anything?" The police, however, ignored the said piece of intelligence based on their own judgment. This resulted in the government completely shutting off itself from the information that could have enabled it to anticipate that the important announcement would be about President Kim Il- song's death.

The news about President Kim Il-song's death was reported to have been kept confidential to the outside before North Korea made the official announcement. However, according to recent foreign press reports, North Korea informed the Chinese Government and the General Association of Korean Residents in Japan [Chongnyon] of it on 8 July, when Kim Il-song died. Therefore, the intelligence in question must have been based on substantial ground.

As seen in this incident on the night of 8 July, since early last year, when the North Korean nuclear issue emerged as a hot international community issue, Seoul has turned into an international intelligence gathering area. The number of intelligence operatives from various countries operating in Seoul, as known by the relevant authorities, is about 300. Most of them are "legitimate spies" with diplomatic passports. If those disguising themselves as reporters, businessmen, and researchers, were considered, the number would be far greater. Intelligence operatives from various foreign countries are crowding, keeping themselves busy at places where diplomats stationed in Seoul gather and engage in social activities, such as Hannam-tong, restaurants and bars in Itaewon, the R Hotel and the I Hotel in Kangnam, Seoul.

However, no less important than the operatives working at the front is the role of the desk which compiles the intelligence gathered, make judgment on its value, and breathe vitality into it. Our government was completely outdone by the news of President Kim Il-song's death because of the desk officer's hasty judgment "It cannot be true."

Flyers Distributed at Campuses

SK1207094494 Seoul MUNHWA ILBO in Korean 12 Jul 94 p 23

[Text] While the ROK Government has decided not to express condolences over North Korean President Kim Il-song's death, some college students are distributing printed materials mourning Kim Il-song's death or supporting the succession of Kim Chong-il.

It is noteworthy that the collegians distributed such materials right after the prosecutor's office made the policy to punish the mourning of Kim Il-song a violation of the National Security Law.

The Federation of University Students Councils in Taegu and North Kyongsang Province areas distributed printed materials stating: "We mourn the passing away of North Korean leader President Kim Il-song in the name of the nation."

Pusan University Students Council also issued a statement on 11 July expressing its position on President Kim's death. The statement read: "We present our condolences to the bier of President Kim. The South Korean Government and the people should squarely appraise President Kim's anti-Japanese struggle and take strict precaution against the moves of some media and forces addicted to Cold War theory using President Kim's death as an opportunity."

Alert To Be Partially Lifted 17 Jul

SK1207111594 Seoul YONHAP in English 1101 GMT 12 Jul 94

[Text] Seoul, July 11 (YONHAP)—The special military alert invoked in the wake of the death of North Korea's Kim Il-song late last week will be partially lifted soon after his funeral on July 17 if there would be no unusual military movement in North Korea, a government source said on Tuesday.

"Some of the alert measures have already been lifted as there were no unusual movements on the part of the North Korean Armed Forces," he said.

The four-point alert included the suspension of outings or leaves by all troops and the requirement of commanding officers to be within easy access to communications means around the clock.

If there would be no unusual military movements in North Korea in the days to come, more alert steps will be lifted step by step, he said.

The official explained that a continuing alert despite the lack of unusual military movements in North Korea would give a sense of anxiety to the people and, at the same time, is apt to unnecessarily offend the North Koreans.

Reportage on Succession Question Continues

Diplomat on Inheritance of Power

SK1207135194 Seoul KBS-1 Radio Network in Korean 1300 GMT 12 Jul 94

[By YONHAP from Beijing]

[Text] North Korea, in a series of major key leadership meetings after the death of Kim Il-song, reaffirmed the principle of Kim Chong-il's inheritance of power by which Kim Chong-il, supreme commander of the Korean People's Army, will assume the Presidency of North Korea and the title of the general secretary of the Workers' Party of Korea [WPK], said a high-level Western diplomatic source in Beijing on 12 July.

The source well versed in North Korean affairs also disclosed that the plenary session of the WPK Central Committee will be soon convened to elect Kim Chong-il as the party's general secretary.

The source disclosed that the separation of power is impossible in light of the nature of the North Korean system and that it is almost certain that Kim Chong-il will be bestowed with absolute power by having a firm grip on the party, the administration, and the military.

The source continued that, considering North Korea's current internal situation with its preparations for Kim Il-song's funeral, it would be difficult to convene the Supreme People's Assembly to elect Kim Chong-il to the presidency before the funeral is held. Accordingly, Kim Chong-il would be elected to the presidency after Kim Il-song's funeral, said the source.

The source added, however, that pessimistic views now prevail on whether Kim Chong-il would be able to sustain long-term power even if he grips absolute power.

Kim Chong-il Profiled as Successor

SK1107022994 Seoul THE KOREA TIMES in English 11 Jul 94 p 2

[By staff reporter Son Ke-yong]

[Text] Kim Chong-il, son of late North Korean president Kim Il-song, is so far the undisputed successor to his father's leadership with Pyongyang's propaganda machines heaping praises on the emerging leader.

The North Korean Central News Agency and Pyongyang Radio began indicating the transfer of power to Chong-il from Saturday [9 July] evening by praising his accomplishments and calling on the people to serve him.

Choe Yong-hae, chairman of the League of Socialist Working Youth of Korea, asked the people to "turn their grief into strength to carry on the great leader's revolutionary achievements of chuche (self-reliance) through the next generation by faithfully worshipping Dear Leader Kim Chong-il's leadership."

No apparent military movements and no signs of disturbances also prove that Kim Chong-il is in solid grip of north Korean politics, officials said.

Chong-il was also named as head of the funeral committee, a role they took as indication that he is in the process of taking over as president of the communist state. The rubber-stamp Supreme Peoples' Assembly which elects state president was called to order today.

However, question marks over the smooth succession loom large with some analysts forecasting a power struggle and subsequent bloody purges.

"Even though Chong-il is the front runner, his close relatives are likely to challenge him," a Foreign Ministry official said.

Kim Il-song was the paramount leader who ensured stability in the North Korean leadership. In the absence of his absolute authority, the North Korean leadership requires a rearrangement which will take time and the possible spilling of blood.

Kim Pyong-il, one of Chong-il's half brothers, is another candidate for the leadership, he said. He is a son of Kim Il-song's second wife Kim Song-ae who heads the Women's League.

"Pyong-il, now ambassador to Finland, is staying in Pyongyang for unspecified reasons while Song-ae returned to the media spotlight by appearing in public during Carter's visit to North Korea," the official said.

The two persons are doomed to be eliminated from the North Korean leadership if Chong-il takes power because they have had "unpleasant" relations with him, he said.

While fending off challenges from possible competitors, Chong-il will also have to win support from the military even though many analysts expect that it will not be difficult because he is the supreme commander of North Korea's armed forces.

Even after Chong-il becomes president, it is uncertain what course of action he will take in diplomatic and economic affairs.

"If he wants to sustain his leadership, he will have to make a commitment to his father's recent peace gestures," another official said.

Chong-il is likely to uphold his father's commitment to the inter-Korean summit and the third round of high-level U.S.-North Korea talks, he added.

Initially, the Kim Chong-il regime will depend on China which first expressed backing for the new leader and try to get support from other countries, he added.

However, the official's view is challenged by other officials who questioned whether the elder Kim died a natural death.

Even though Chong-il has been groomed to succeed Kim Il-song for 25 years, their relations were "not so good in recent years," another official said.

He raised a conspiracy theory that the junior Kim might took action to kill his father who recently moved to open North Korea to the outside world.

"As Kim Il-song moved to guarantee the North's nuclear transparency in his successive peace gestures, Chong-il became uneasy because of the possibility that the North Korean system might collapse," he said.

In that case, North Korea will return to its rigid isolationist policy and expedite the development of nuclear weapons as its only means for survival, he added.

Chong-il, 52, is known to be hysterical and pudgy standing about 165 centimeters and weighing 85 kilograms, which causes speculation that he is not healthy.

Challenges Facing New Leadership

SK1207135494 Seoul YONHAP in English 0855 GMT 12 Jul 94

[Second of four-part series on the policies of the new North Korean leadership: "Kim Chong-il Faces Need To Tackle Pressing Economic Problems" by Kim Myong-chol]

[Text] Seoul, July 12 (YONHAP)—The North Korean economy continues to deteriorate, declining for four consecutive years since 1990.

At a Workers' (communist) Party Central Committee meeting held last December, the North Korean leaders admitted the failure of their third seven-year economic development plan: Premier Kang Song-san reported that some projects under the plan fell short of their goals. This was deemed quite a happening because they had never admitted any failure—political, economic or otherwise—until then.

The party resolved in the meeting to set "a correction period of two to three years for construction of a socialist economy" suitable to North Korea and to pursue agriculture, light industry and trade-first policies in this period. Kim Il-song even supported the resolution in his New Year's Day message for 1994.

But he has passed away, leaving the urgent task of economic development to his son. The senior Kim must have planned to retire after he had solved the issues related to the nuclear development program, inter-Korean relations and economic development. Now that he has died, all these issues fall in the junior Kim's lap.

Kim Chong-il's record of achievements in the economic field does not inspire confidence. He is even said to have ruined the economy.

One of his missteps was the "speed battle" idea he advocated in 1974, calling on the people to complete any work assigned to them in the quickest possible time. This drove North Koreans into virtual slave labor.

On top of that, the junior Kim forced the people to compete for "the three great revolutionary flags" by excelling in the ideological, technological and cultural fields in 1975.

He then kicked off technological innovation movements aimed at scientists and engineers in 1978 and 1980.

However, all of these efforts failed as the North Korean economy of today bears testament.

Excessive investment in construction for demonstration purposes and mobilization of the people for such construction resulted in today's economic crisis, chiefly because such investment was not in the people's interests.

The new agriculture, light industry and trade-first policies of the Workers' Party, together with the participation in the U.N. Development Program for the Tuman River and the establishment of the Najin-Sonbong free economic zone, are the results of what the North Koreans learned from such unproductive investment.

They are seen as representing an important policy shift, and Kim Chong-il is said to have played a role in that shift.

It should be noted that North Korea has taken new legal steps to attract foreign capital and technology for economic development since 1990, learning from the failure of the 1984 Joint-Venture Law.

These new legal steps are viewed as a revision of the principle of economic self-support, based on the chuche (self-reliance) throught advocated by Kim Il-song.

Of course, the North Koreans hate to recognize such revision, saying the introduction of foreign capital and technology is to solidify the self-support principle.

This means that North Korea wants to open the door in a manner that will not jeopardize its socialist economic system. Kim Il-song said, "Let the wind in, but not the mosquitoes with it."

Kim Chong-il has much less authority than his father. In order to earn the title of "great leader," he must show something really great to the people.

This requires the junior Kim to tackle all pressing economic problems facing North Korea: By successfully solving these problems he can become the real leader of his people. To attain this goal, he will need to adopt a limited open-door policy.

Among his confidants are advocates of such an open-door policy, and he is supported by technocrats in the second generation of the revolution who are pragmatists. He is therefore expected to speed the pace of a limited opening, while supporting his father's economic policy lines—if indeed he succeeds his father.

Possible Leadership Policy Examined

SK1107073294 Seoul YONHAP in English 0651 GMT 11 Jul 94

[First of four-part series of articles on the policy of the new North Korean leadership: "North Korea Likely To Stick to 'Our-Style Socialism' But Not Long Enough" by Kim Tae-yong]

[Text] Seoul, July 11 (YONHAP)—As Kim Chong-il, son of the late North Korean President Kim Il-song, is considered most likely to replace his father as the top (Workers') party and government official, the question of what his policy will be represents the key concern among Pyongyang watchers here.

Many North Korea experts are having difficulty predicting whether the reclusive nation will give up socialism for economic development or stick to its own brand of socialism, which his father had advocated for decades.

Considering the economic difficulties North Korea is facing, Kim Chong-il's choices seem limited. First of all, he must satisfy the people's growing need for enough food to be recognized as a dependable new leader. This is an urgent mission for a leader whose influence over the people is not nearly as strong as his father's.

His foreign and inter-Korean policies may not be too different from those of the senior Kim.

Kim Il-song suddenly changed his policy toward South Korea in particular shortly before he died, agreeing to hold the first inter-Korean summit in history while resuming high-level talks with the United States a year after they had stopped.

Whether Kim Chong-il will follow this reconciliatory policy line of his father is not yet known. But many experts here predict that North Korea cannot help opening up and seeking financial support from outside in order to survive.

North Korea has not indicated any changes from Kim Il-song's policy line since his death. It has instead, according to unconfirmed press reports, voiced hope of resuming the high-level talks with the United States and hinted that it wants to hold the first inter-Korean summit as scheduled.

Indeed, it may be difficult for Kim Chong-il to change the policy of his charismatic father that he is supposed to follow. But his philosophy of ruling seems to be sticking to socialism, which does not suggest much change in North Korea's brand of socialism.

Although it is difficult to say exactly what he has in mind for ruling North Korea, some essays and statements he published between the late 1980s and early 1990s, when socialist governments in the East European nations were collapsing, reveal his recognition of socialism and the future direction of North Korean socialism.

The common thread running through these essays is that giving up socialism is nothing short of death. "The collapse of socialism is a temporary phenomenon, and socialism will necessarily gain victory according to the principle of history's development," he said in a statement on Jan. 3, 1992.

Especially, he is opposed to pluralism: He said that it cannot be allowed in a socialist country. "Plurism supports liberalization in ideology, a multi-party system in politics and diversification in ownership, all of which are political methods of capitalist countries."

Although he stuck to socialism in his essays, there is no way to tell whether he can adhere to it in his future politics, according to some experts here.

The world is changing rapidly, and his small isolated country has no alternative but to adapt to such change in order to survive, they note.

Kim Chong-il To Inherit 'With Ease'

SK1107001294 Seoul THE KOREA TIMES in English 11 Jul 94 p 2

[Text] Leaders of the ruling Democratic Liberal Party [DLP] yesterday said that Kim Chong-il, Kim Il-song's son and heir- apparent, will fill the power vacuum left by his dead father with ease.

In a key party post holders meeting yesterday, the first of its kind held on Sunday, senior DLP leaders analyzed the developments brought on by the sudden death of Kim and discussed future policies on North Korea.

They advised the government to be prudent and not to take measures which can be viewed as "provocations" by North Korea at this "sensitive" juncture.

Senior DLP members also urged the government to continue to promote dialogue with North Korea and seek international cooperation to resolve the nuclear standoff.

They said that the people need not feel uneasy as the government and the ruling party are fully prepared to cope with any contingency and capable of maintaining peace on the Korean peninsula.

DLP chairman Kim Chong-pil said that he views the situation in North Korea as not so serious that there will be no major upheaval in North Korean society in the foreseeable future.

He said that he drew the conclusion after seeing the list of North Korean leaders on the state funeral committee who he alleged fear an abrupt change in the current system.

"We will continue our efforts for peaceful co-existence with the North by being careful not to provoke them," Kim said.

"The sun goes down and the next day the sun rises again," Kim said. "There will not be any cataclysmic changes in North Korean society for the time being."

Rep. Sin Sang-u, chairman of the National Assembly Intelligence Committee, predicted that Kim Il-song's enigmatic son Chong-il will soon take over power without much difficulty.

"There is an intelligence report that North Korean authorities were quick to send out directives calling for nationwide indoctrination classes aimed to expedite the transfer of power to the junior Kim," Sin said.

Rep. Sin said that it is possible North Koreans will stage mass rallies in support of Kim Chong-il even before Kim Il-song's funeral slated for July 17.

"Some mass media and scholars argue that the linear succession of power will be hard to achieve. I don't agree with that view. Think of the fact that the North has systematically prepared for the transfer of power for more than two decades," Sin said.

DLP floor leader Yi Han-tong said that the government will have to chart its North Korean policies anew with the death of the omnipotent North Korean leader.

"In a strict sense, we have few experts in North Korean affairs. We knew too little about the North," Yi said. "We must chart a new blueprint for the inter-Korean relationship."

DLP chief policymaker Yi Se-ki said, "With the death of Kim Il- song, North Korea will change enormously. We should reconsider the current North Korean policy and our party should have a greater voice in policy-making."

In the meeting, Rep. So Chong-won, First State Minister for Political Affairs, revealed that President Kim Yong-sam regretted over the cancellation of the summit with Kim Il-song.

So said that President Kim directed military units on the frontlines to be careful not to provoke North Korea in the National Security Council meeting Saturday.

DLP leaders praised the opposition democratic party's decision not to move for a no-confidence motion against Defense Minister Yi Pyong-tae at the National Assembly in consideration of the grave nature of the current situation.

Yi touched off controversy by testifying during the recent assembly interpellation session that satellite cities north of Seoul will be used as "strategic obstacles" in case of war.

Leader Placement at Bier Assessed

SK1207070494 Seoul CHUNGANG ILBO in Korean 12 Jul 94 p 1

[Excerpts] North Korea demonstrated at home and abroad that Kim Chong-il's succession to power had reached its final stage when it made public President Kim Il-song's corpse on the night of 11 July.

North Korea revealed Kim Il-song's corpse placed at Kumsusan Assembly Hall at 2100 on 11 July. In addition, North Korean television showed footage of Kim Il-song's corpse at 2300 that day. The footage shows Kim Chong-il shedding tears in front of Kim Il-song's corpse which is in a glass box. Kim Chong-il was accompanied by People's Armed Forces Minister O Chin-u and other party, government, and military leaders. [passage omitted]

The footage proves: The order in which North Korean leaders paid homage to Kim Il-song's corpse was identical to the order in which they appeared in the Kim Il-song funeral committee list. This means there has been no change in the power structure. Kim Song-ae, Kim Il-song's wife, and other members of the Kim Chong-il family also appeared. This may be an attempt to eliminate rumors of discord and power struggle among family members. Kim Yong-sun, the party secretary in charge of South Korean affairs, was standing right behind Kim Chong-il, and former Vice Premier Kim Tal-hyon was also seen. This can be interpreted as the expression of North Korea's will to maintain its policy toward South Korea and may be considered as the loosening up of the basic principles of its foreign policy. [passage omitted]

Ascension 'Without a Hitch' Noted

SK1207073194 Seoul YONHAP in English 0708 GMT 12 Jul 94

[Text] Seoul, July 12 (YONHAP)—Agency for National Security Planning Director (NSP) Kim Tok said Tuesday that the power transition in North Korea from the late

President Kim Il-song to his son Chong-il seems to be proceeding without a hitch as North Korea has virtually no other alternatives.

Speaking at the first meeting of the newly installed National Assembly Intelligence Committee, Kim said he looked forward to seeing the political situation in North Korea stabilize at the soonest date in a way that opens the path to a decisive opportunity to substantially improve South-North relations.

He made the remarks, saying "a new change has already started on the Korean peninsula after the sudden death of Kim Il-song."

Noting that Kim Il-song's death was certain to invite big changes internationally as well as on the Korean peninsula, Kim predicted that neighboring countries would come out with more aggressive attitudes in pursuing their Korea policies from the perspective of their own interests.

Kim emphasized that "our judgment and reaction to North Korea's changes should not be hasty and we need to exercise prudence and have an unbiased sense of balance."

'Source' on Presidency Assumption

SK1207095794 Seoul KBS-1 Radio Network in Korean 0900 GMT 12 Jul 94

[By Hong Kong-based correspondent Pak Tong-hyon]

[Text] North Korea's Supreme People's Assembly is likely to elect one of the senior members of its political circles, not Kim Chong-il, to the North Korean presidency, revealed a source in Hong Kong knowledgeable in North Korean affairs.

Disclosing that Kim Chong-il, the heir apparent to the North Korean power, long ago agreed that it is favorable to separate the North Korean presidency from the post of general secretary of the Workers Party of Korea [WPK], the source indicated that it would be very important for Kim Chong-il to abide by such an internal decision.

Accordingly, through President Jiang Zemin's condolence message sent on 9 July and his visit to the DPRK Embassy, China, which has agreed to Kim Chong-il's inheritance of power, only stressed that it was Kim Il-song's will that Kim Chong-il assume the responsibility of the WPK. In particular, in Deng Xiaoping's message, there was no mention of Kim Chong-il, thus hinting that Kim Chong-il is not the face of North Korea.

The source said, however, that the election of a senior member of the North Korean political circles as president of North Korea does not necessarily mean a division of power, adding that this may be a measure to protect Kim Chong-il from the discontent that might arise on the course of settling North Korea's economic crisis and international isolation.

Carter's Request To Attend Funeral Said Rejected

OW1107053394 Tokyo KYODO in English 0512 GMT 11 Jul 94

[Text] Seoul, July 11 KYODO—North Korea has turned down former U.S. President Jimmy Carter's request to attend the funeral of President Kim Il-song, a Seoul daily reported Monday [11 July].

The JOONG-ANG DAILY NEWS [name as received] quoted a diplomatic source as saying that carter, while travelling in Tokyo, made known through diplomatic channels Saturday his wish to attend the funeral service of Kim Il-song in the capacity of private citizen.

The source said that North Korea, however, politely declined to accept Carter's offer on the ground that no foreign guests are to be invited to the funeral service scheduled for Sunday.

U.S., Seoul Positions on DPRK Reactor Differ

SK0807095994 Seoul KYONGHYANG SINMUN in Korean 8 Jul 94 p 5

[Article by Reporter Yi Sung-chol]

[Excerpts] It is expected that the question of supporting North Korea's building of a light-water reactor will be a key agenda item at the third round of the North-U.S. high-level talks, which begin on 8 July, while the question is regarded as an important factor in the solution of North Korea's nuclear issue.

In this connection, the ROK and the United States have been showing differences of views in taking concrete countermeasures, although they once agreed upon the fundamentals at such meetings as an atomic technology-related conference held in the United States at the beginning of this month.

The question of supporting a light-water reactor was first brought up at the second round of the North Korea-U.S. high-level talks held in Geneva last July in which North Korea asked the United States to help replace its existing graphite-moderated reactor with a light-water reactor.

However, an earnest study or discussion of this question has so far been put off in light of the enormous expense of $1 billion to $2 billion for building a reactor and Cocom [Coordination Committee for Exports to Communist Areas] regulations which ban the transfer of up-to-date technology to communist countries.

The question of supporting a light-water reactor came to the foreground again in connection with the solution of North Korea's nuclear issue when President Kim Il-song put forth this question to former U.S. President Cater, who visited the North in mid-June, as a condition to the freezing of nuclear development.

When news reports made President Kim's proposal known, both the ROK and the United States welcomed it. The two countries expressed their welcome, because it is easy to reprocess spent nuclear fuel and produce plutonium—the raw materials for nuclear weapons—with a graphite-moderate reactor, while it is relatively very difficult to do so with a light-water reactor. [passage omitted]

The ROK is advocating building an ROK-type atomic reactor under the ROK's supervision in the design, construction, and management of the reactor, thus showing its willingness to bear the burden of a considerable amount of the expenses.

The ROK is showing such an active intention to take part in building a light-water reactor in North Korea, because the building of such a light-water reactor is a process of solving North Korea's nuclear issue, while viewing this question as an opportunity to cure the wounds of the half-century of national division.

One government official concerned has said: "We are trying to actively take part in building a light-water reactor, not only because of the economic cooperation which will be implemented, but also because we view that this can serve as an opportunity to see the realization of the exchange of persons—which will number several tens of thousands—during the 10-year period of construction."

In the meantime, the United States has been frowning upon the transfer of its own technology and financial support while pointing to its domestic laws, including the TWEA [Trade With Enemies Act] and EAA [Export Administration Act], while proposing building a Russian VVER-type atomic reactor and raising funds by forming an international consortium.

The reason why the United States is proposing this is that it has a mind to place the atomic reactor under its influence by playing a leading role in building the light-water reactor, while stressing that its own proposal will not contravene the Cocom regulations.

It seems that herein lie U.S. intentions to delve into North Korea's suspected past nuclear development through its liaison office, which will be established during the period of building the light-water reactor, in case the upcoming North-U.S. talks fail to clear away such a suspicion.

At present, North Korea is learned to be hoping for a Russian-type atomic reactor because North Korea is conscious of the ROK.

One government official concerned predicts the following: "The ROK and the United States cannot push only for their own postions because of restrictions in international law and their individual limitations, that is to say, the ROK depends on foreign countries for key technology, including that of turbine generators, while the United States seems to have some limitations in raising funds. Earnest consultations will begin if an agreement is reached on support for building a light-water reactor at the North Korea-U.S. talks."

Further on First Session of U.S.-DPRK Talks

SK0907013394 Seoul YONHAP in English 0122 GMT 9 Jul 94

[Text] Geneva, July 9 (YONHAP)—North Korea and the United States held "productive and useful" discussions on the nuclear and other pending issues Friday at their first high-level meeting in a year.

The two sides presented their basic positions on current issues including the nuclear row and improvement of diplomatic relations at the morning session and, in the afternoon, attempted to narrow their differences.

The third round of high-level talks was held at the North Korean diplomatic mission by the Lake of Geneva.

After the first day's meeting lasting seven hours, the two sides released a brief joint statement saying, "we discussed the full range of outstanding issues between the two countries including the nuclear problem. We had very useful and productive discussions which will continue tomorrow."

U.S. delegation leader Robert Gallucci, assistant secretary of State for political and military affairs, said, "We've been stating each other's positions and exploring, and the nuclear issue was a central issue for the United States."

Vice Foreign Minister Kang Sok-chu, who led the North Korean delegation, said, "There is much in common (between the two nations). But we also confirmed that there are many points on which the two sides differ." He did not elaborate on the differences.

"The common points we share are that both sides want to resolve the nuclear issue through dialogue and by peaceful means."

Kang was optimistic about the talks' prospects, saying that "we can narrow our differences on the nuclear issue."

Little is known about the negotiations, but diplomatic sources here said the U.S. position was that North Korea should perform all of its duties under the nuclear safeguards agreement and comply fully with the Nuclear Non-Proliferation Treaty (NPT) if it wants to improve relations with Washington.

The Americans also demanded that Pyongyang implement the joint declaration on denuclearization of the Korean peninsula.

Meanwhile, North Korean officials called on the United States to help their country convert its graphite-moderated reactors to light- water models, which are more difficult to use for military purposes.

Pyongyang's demands also included an improvement in bilateral relations with Washington, a U.S. guarantee of non-use of military power including nuclear weapons against North Korea, and the removal of mutual distrust.

North Korea claims its nuclear program is peaceful, but its refusal to cooperate with the International Atomic Energy Agency (IAEA) has heightened suspicions that it is developing atomic weapons.

The two sides will meet for a second day on Saturday at the U.S. diplomatic mission before resuming the talks on July 12 or 13.

DPRK Spokesman Announces Postponement of Talks

SK0907090594 Seoul KBS-1 Radio Network in Korean 0840 GMT 9 Jul 94

[Text] Following is a report from Geneva. The spokesman of the North Korean delegation in Geneva announced on 9 July that due to President Kim Il-song's death, North Korea, which is currently taking part in the third round of DPRK-U.S. talks being held in Geneva, will be postponed. The spokesman said that the talks have been postponed and added that he does not know when the talks will be resumed.

DPRK, U.S. Agree To Hold Talks After 17 Jul

SK1107003094 Seoul YONHAP in English 0019 GMT 11 Jul 94

[Text] Geneva, July 10 (YONHAP)—North Korea and the United States agreed to postpone the third round of high-level talks until after the funeral of the late President Kim Il-song on July 17, the North Korean Mission here said Sunday.

The mission released a statement saying the date for resumption of the talks will be fixed through diplomatic contacts in New York.

The statement said North Korea's chief delegate Kang Sok-chu, first vice foreign minister, and assistant secretary of state and chief U.S. delegate to the high-level talks Robert Gallucci, who visited the North Korean Mission to express his condolences, spoke for about two hours in agreeing to the postponement.

The two sides began their first high-level talks in a year on July 8 to discuss solving the North Korean nuclear problem and improving bilateral relations, but Saturday's announcement of Kim's death abruptly brought the negotiations to a halt.

The North Korean statement said that Kang has been instructed by the Pyongyang leadership to return home to attend Kim's funeral.

As Kang was leaving Geneva, it said, "the North Korean delegation proposed to the U.S. side that the third round of high-level talks be postponed until after the mourning period ends and that the date to resume the talks be decided through diplomatic channels in New York."

The statement added that the U.S. delegation had expressed understanding and agreed to the proposal.

Shortly after the statement was announced, Gallucci confirmed the agreement in a briefing at the U.S. Mission here.

Kim Yong-sam Speaks to 9 Jul Security Meeting

SK0907091294 Seoul KBS-1 Television Network in Korean 0735 GMT 9 Jul 94

[Comments by ROK President Kim Yong-sam at the emergency National Security Council meeting held at Chongwadae on 9 July—recorded]

[Text] [Kim Yong-sam] Immediately after receiving the news today, as the prerogative commander of the Army, I ordered the defense minister to place the entire Army on alert posture. We are now holding an emergency security meeting, and a cabinet meeting will follow at 5 PM [0800 GMT].

Our government has always been fully prepared in various ways for any assumed incidents anytime. Therefore, the government has the confidence and ability to safeguard the peace of the Korean peninsula. I hope all the people will remain unshaken by any changes and devote themselves to their daily lives.

What I want to tell you is that the top leaders of the South and the North were to meet together in 15 days to open-mindedly discuss the peace of the Korean peninsula and the future of the nation. Receiving the news, I feel very sorry for this. However, our government will continue to do its utmost for the peace of the Korean peninsula and the security of the 70 million people.

Spokesman Briefs Media on 9 Jul Security Meeting

SK0907082594 Seoul KBS-1 Television Network in Korean 0440 GMT 9 July 94

[Media briefing by Chongwadae [presidential offices] spokesman Chu Ton-sik following 9 July National Security Council meeting; broadcast in progress—recorded]

[Text] ...On the afternoon of 9 July, President Kim Yong-sam presided over an emergency National Security Council meeting to receive various reports on the death of President Kim Il-song from Yi Hong-ku, minister of the National Unification Board; Foreign Minister Han Sung-chu; Defense Minister Yi Pyong-tae; and Kim Tok, director of the Agency for National Security Meeting. Sincere discussions followed the reports.

During the meeting, President Kim stressed our position to safeguard the security and peace of the Korean peninsula in any contingency, and asked the ROK people to trust the government and remain cool with firm confidence.

President Kim reconfirmed that our basic policy of safeguarding peace remains unchanged.

Further on 9 Jul Security Council Meeting

SK1007031594 Seoul SEOUL SINMUN in Korean 10 Jul 94 p 3

[Report by Kim Yong-il on Chongwadae (presidential offices) spokesman Chu Ton-sik's 9 July news conference with reporters at Chongwadae following the National Security Council meeting held in connection with North Korean President Kim Il-song's death]

[Text] [Question] How long was the meeting held?

[Answer] It was held for approximately one and a half hours.

[Question] Can you tell us the content of the meeting?

[Answer] You can guess what kind of reports were made by Yi Hong-ku, minister of the National Unification Board; Foreign Minister Han Sung-chu; Defense Minister Yi Pyong-tae; and Kim Tok, director of the Agency for National Security Planning [NSP], all of whom attended the meeting. At this point, I cannot reveal the contents of the report and what was discussed.

[Question] Were there discussions about Kim Il-song's death?

[Answer] There were many analytical discussions on the reason for his death.

[Question] Were there any advanced warnings on Kim Il-song's death?

[Answer] No comment.

[Question] Is there a basis to conclude that Kim Il-song is dead?

[Answer] There was a report from NSP Director Kim Tok that it is certain Kim Il-song has died.

[Question] What will happen to the South-North summit?

[Answer] Do you not think that we first need a counterpart in order to hold the summit?

[Question] Can the summit be held once the schedule is adjusted with President Kim Il-song's successor?

[Answer] I cannot officially comment on this at the time since the succession of power has not yet been decided upon.

President Chairs 12 Jul Security Meeting

SK1207024794 Seoul KBS-1 Radio Network in Korean 0200 GMT 12 Jul 94

[Text] The government held a meeting led by President Kim Yong-sam at Chongwadae [presidential offices] this morning among the national security-related government agency chiefs at the ministerial level. The meeting analyzed the developments concerning North Korea's transfer of power and discussed the government's future policy toward the North.

It was learned that at today's meeting, the participants shared the view that power is being transferred to Kim Chong-il. The government again confirmed its position to continue to maintain its basic policy framework of having South-North relations proceed peacefully and through dialogue.

It was also learned that at this meeting, President Kim ordered the participants to further solidify the national security posture and to strengthen the system of cooperation with friendly nations at a time when the North Korean system is changing.

North Reportedly Postpones Summit 'Indefinitely'

SK1107025494 Seoul YONHAP in English 0241 GMT 11 Jul 94

[Text] Seoul, July 11 (YONHAP)—The North Korean Government notified South Korea Monday that it would postpone indefinitely the inter-Korean summit talks originally slated for July 25-27.

The notice came in a letter sent by Kim Yong-sun, chairman of the North Korean Supreme People's Assembly Unification Policy Committee, to South Korean Deputy Prime Minister and National Unification Minister Yi Hong-ku.

Kim said in the letter, "I'm informing you that we have come under unavoidable circumstances in which we have to postpone the scheduled top-level meeting, as has already been reported in an important announcement."

The letter was the first official notification from North Korea regarding the fate of the inter-Korean summit talks since President Kim Il-song's death was announced at noon Saturday.

The letter made no mention, however, of whom had entrusted him to give the notification.

It also failed to provide any clues as to whether the North would push for the realization of the summit talks again and the schedule for follow-up contacts, informed sources said.

Pyongyang notified Seoul informally, in a contact through a direct telephone line installed at the truce village of Panmunjom at 9 a.m. prior to sending the letter, that it had decided to postpone the talks indefinitely.

North Korea had originally been scheduled to hand a detailed itinerary of South Korea's delegation to the summit talks in Pyongyang to the Southern side at 10 a.m. Monday.

Further on DPRK Desire To Hold Summit

SK0907064494 Seoul YONHAP in English 0624 GMT 9 Jul 94

[Text] Hong Kong, July 9 (YONHAP)—The death of North Korean leader Kim Il-song will not affect Pyongyang's foreign policy much and it still wants to hold the scheduled South-North summit, although at a later date, sources well versed in North Korean affairs here told YONHAP News Agency Saturday.

The sources, who claim they have been in close contact with senior North Korean officials since Kim's death, quoted close aides to the deceased Kim Il-song and his son and heir-apparent Chong-il as saying they wanted to hold the summit, although the schedule may be delayed.

The North Korean nuclear problem should be settled in cooperation with South Korea and the ongoing negotiations between Pyongyang and Washington should continue despite Kim's death, the sources quoted the North Korean officials—who they say are higher ranking than the minister-level officials at the North's State Administration Council—as saying.

The North Korean officials expressed concern over the tense situation created in the South by Kim's death, saying they were in firm control of internal affairs and no sudden mishaps would happen, said the sources.

Source: DPRK To Propose N-S Summit in Aug

SK1207121894 Seoul YONHAP in English 1207 GMT 12 Jul 94

[Text] Hong Kong, July 12 (YONHAP)—North Korea is likely to propose to hold the planned inter-Korean summit in August, much earlier than South Korea and the United States expect, a source here well versed with North Korean affairs said on Tuesday.

The source who maintains close contacts with senior North Korean officials since Kim Il-song's death said a number of high Pyongyang officials he met or talked with over the phone told him the summit would take place within one month after the North Korean leader's funeral.

The officials reportedly said there would be no problem in an early summit since the two Koreans have already agreed on a summit and preparations have in effect been all completed.

Kim Chong-il, in particular, instructed Pyongyang's dialogue officials to continue to promote the summit on the morning of July 8, in the predawn hours of which Kim Il-song succumbed, the source said.

Pyongyang To Talk With Seoul on Summit Issue

SK1207113194 Seoul YONHAP in English 1107 GMT 12 Jul 94

[Text] Tokyo, July 12 (YONHAP)—North Korea plans to talk with South Korea on the issue of resuming the postponed inter-Korean summit meeting soon after Kim Il-song's state funeral on July 17, the KYODO news service, quoting a Japanese commentator in Pongyang, reported from Beijing on Tuesday.

The report said a Japanese commentator, Kaoru Nakamaru, now on a visit to Pyongyang, told the KYODO's Beijing bureau over the phone that a senior North Korean official disclosed the plan during talks with him.

The official reportedly said Kim Yong-sun, chairman of the Supreme People's Assembly Foreign Affairs Committee, would discuss with the South the issue of whether to hold a summit meeting originally slated for July 25 but put off indefinitely later due to the death of Kim Il-song.

Nakamaru also said that North Korea is expected to make a formal decision on Kim Chong-il's rise to full power soon after the senior Kim's funeral is held on July 17, according to the KYODO report.

In the meantime, North Korean Deputy Ambassador to the United Nations Kim Su-man said in an interview with the KYODO news service on Monday that there would be no change in the North Korea's policy about U.S.-North Korea talks even after a Kim Chong-il system is instituted in North Korea.

Kim said North Korea would continue to allow IAEA (International Atomic Energy Agency) inspectors to stay at Yongbyon, would not reprocess the fuel rods taken from a 5-megawatt reactor, and would not replenish fuel bars.

Saying that the suspension of the U.S.-North Korea talks is a transitory step, Kim said the talks would be resumed once Kim Il- song's funeral period is over.

Seoul 'Ready To Invite' DPRK Businessmen

SK0907004694 Seoul YONHAP in English 0034 GMT 9 Jul 94

[Text] Seoul, July 9 (YONHAP)—South Korea is ready to invite North Korean businessmen here to acquaint them with Seoul's trade and investment conditions in anticipation of a successful inter-Korean summit later this month, officials at the Korea Foreign Trade Association (KFTA) said Saturday [9 July].

The association is also poised to form a special panel to prevent overheated competition among South Korean traders and investors once the door to North Korea opens, the officials said.

The inter-Korean summit, the first in half a century, opens in the North Korean capital of Pyongyang on July

25. Businessmen here hope the summit will invigorate South-North trade that is presently conducted through third countries.

"When this indirect trade is switched to direct trade between Seoul and Pyongyang, North Korean businessmen will need more knowledge on the kind of work involved and a better understanding of business conditions in South Korea," said one official.

"We will prepare concrete plans as soon as the summit results are out," he said.

This official said small and medium-sized businesses are eager to forge economic links with North Korea. They will be included in a large-scale economic cooperation delegation the KFTA plans to send to North Korea if the summit goes well.

"A private-level control mechanism will act against excessive competition among domestic corporations that can be expected once South-North Korean economic cooperation gets under way," the official said.

Similarly, a private panel will oversee promotion of trade with and investment in North Korea, he said.

North Reportedly Seeks To Attract Investment

SK1207053094 Seoul YONHAP in English 0215 GMT 12 Jul 94

[Text] Hong Kong, July 12 (YONHAP)—North Korea is seeking to attract up to 2 billion U.S. dollars of investment from South Korean businesses by setting up a large-scale South Korean industrial complex in its Najin-Sonbong special economic zone, a reliable source here said Tuesday.

The plan has been drawn up by the State Administration Council's External Economy Commission, officials of which repeatedly stressed the importance of the plan as a show of the North's will to accelerate economic cooperation with the South despite the death of its leader Kim Il-song, said the source.

The External Economy Commission, which handles a plan to develop the Najin-Sonbong special zone, is ready to grant South Korean firms tariff benefits and allow in South Korean banks, said the source.

The commission, which wants to attract more than 200 South Korean firms to the special economic area, plans to guarantee free visits by South Koreans to and from the zone and free sales of goods produced by South Korean firms in the special zone in North Korea and abroad, the source said.

The source quoted commission members as saying that they want South Korean officials to cooperate with the commission's plan to invite 30 South Korean businessmen and bankers to the proposed South Korean industrial complex site in the Najin-Sonbong economic zone during August after the funeral service for the late President Kim Il-song.

According to the commission's plan, South Koreans will be allowed to ship duty-free raw materials, facilities and equipment to Najin port from Pusan and Sokcho ports in South Korea. Some 1,000 South Korean businessmen, technicians and laborers could be allowed to reside in the economic zone, the source said.

The North will lease South Korean businessmen the land and buildings in the complex for 50 years and build apartments and such infrastructures as roads while preparing for various preferential treatments on tariffs for South Korean firms, said the sources.

Entry visas will be exempted for South Koreans who enter the Najin-Sonbong economic zone through adjacent cities of Namyang and Hoeryong, said the sources.

President To Meet Japanese Prime Minister

SK1207033294 Seoul YONHAP in English 0312 GMT 12 Jul 94

[Text] Seoul, July 12 (YONHAP)—South Korean President Kim Yong-sam and Japanese Prime Minister Tomiichi Murayama will have summit talks in Seoul on July 23, a senior government official here said Tuesday.

Murayama will visit Seoul on July 23 and meet with President Kim to discuss issues of mutual concern including North Korea's transfer of power and the nuclear problem before leaving the next day, according to the official.

This will be the first summit between the two nations since the new Japanese Government headed by a socialist prime minister was inaugurated. It is attracting attention because they will meet at a time when North Korea is quickly establishing a Kim Chong-il regime to replace that of his late father.

The official said, "Kim and Murayama will have a summit at Chongwadae, the presidential mansion, on July 23. Murayama's trip will be a working visit."

Murayama is expected to clarify that although the Japanese Government is now headed by a socialist prime minister, Tokyo's diplomatic policy towards Seoul will not change.

The Japanese prime minister was originally scheduled to visit Seoul on July 16 but decided to postpone the summit date, citing the sudden death of North Korean President Kim Il-song and his own health.

PRC Reportedly Informed of Kim's Death on 8 Jul

SK1107085694 Seoul YONHAP in English 0839 GMT 11 Jul 94

[Text] Tokyo, July 11 (YONHAP)—North Korea informed China of the death of President Kim Il-song on July 8, one day before the official announcement was made on Saturday, KYODO news service reported from Bonn on Monday.

Chinese Premier Li Peng was told of Kim's death by his home government while he was visiting the German state of Bayern (Bavaria), where he cancelled his scheduled sightseeing trip near Munich at 3:30 P.M. German time (10:30 P.M. KST [Korean Standard Time]) and contacted Beijing at his hotel, KYODO quoted the Bayern state prime minister as telling a local newspaper.

If this is true, KYODO reported, Li was the only foreign leader to have been informed of Kim's death by North Korea, indicating the close relationship between the two.

China's Role in DPRK Stability Stressed

SK1207040294 Seoul YONHAP in English 0350 GMT 12 Jul 94

[Text] Seoul, July 12 (YONHAP)—China will seek to help the new North Korean regime settle in so as to maintain stability on the Korean peninsula, Foreign Minister Han Sung-chu said Tuesday.

Seoul will be closely watching domestic developments in North Korea, but its position is that the earlier inter-Korean dialogue resumes, the better, and will therefore try to keep alive the basis for dialogue, he said.

Appearing before the National Assembly Foreign Affairs- Unification Committee, Han said Kim Chong-il is highly likely to succeed his father as the leader of North Korea and follow the senior Kim's foreign and inter-Korean policies.

"China's support is critical in the process of stabilizing the new North Korean regime," Han told lawmakers. "Considering China's basic policy towards the Korean peninsula, it will predictably assist the new regime for its early settlement."

Because of the immediate task of establishing the new government, North Korea would find it difficult to confront the international community and would thus stick to dialogue, the foreign minister said.

The nuclear problem is the most urgent issue facing Pyongyang, requiring the new leadership to determine its position and resume talks, he said.

"We will be closely watching developments in the domestic political situation in North Korea for now," said Han. "But with the position that early resumption of dialogue is preferable, the government will exert efforts to maintain the basis for the dialogue."

Daily: PRC To Intervene if North Attacked

SK0907031094 Seoul HANGUK ILBO in Korean 9 jul 94 p 2

[Report by AP/YONHAP from Beijing]

[Text] Qiao Zonghuai, Chinese ambassador to North Korea, disclosed on 8 July that China is placing importance on the North Korea-Chinese treaty of good-will and friendship, stipulating that China would automatically intervene in case North Korea is attacked.

China's official XINHUA NEWS AGENCY reported: At a meeting with officials held in Pyongyang, Ambassador Qiao said that the treaty between the two countries, which was concluded in 1961, had been "very effective in maintaining the peace in Asia."

This treaty stipulates that in case either of the two signatories to the treaty is attacked, the other side shall provide support, including military power, to the attacked side without delay.

President Issues Warnings Against Labor Strikes

SK0907023794 Seoul YONHAP in English 0221 GMT 9 Jul 94

[Text] Seoul, July 9 (YONHAP)—President Kim Yong-sam issued a stern warning Saturday against labor unrest while offering encouragement to small and medium-sized businesses through an enlarged assistance fund.

Chairing a meeting of his economic ministers and officials, the president called the recent strike by subway workers "a severe blow to the nation's economy and its citizens."

"No other country's economic activities are so restrained by labor strikes as ours in this era of unlimited competition," Kim told the meeting. "There has to be an ongoing cooperative union-management relationship based on personal trust to enhance national competitiveness."

"Both private corporations and government businesses should be especially attentive to stabilizing union-management relations," said kim.

He emphasized assistance for small and medium-sized businesses, calling their competitive ability the root of sustained economic growth.

"Effective measures have to be applied simultaneously such as a shortened time span between application and approval of loans, a unified source of available assistance, and help through guarantees and recommendations from large corporations," the president said.

He suggested increasing the fund set aside for structural improvement of small and medium-sized businesses within limits allowed by the World Trade Organization (WTO).

Motion Filed for Dismissal of Defense Minister

SK0807103394 Seoul YONHAP in English 1020 GMT 8 Jul 94

[Text] Seoul, July 8 (YONHAP)—A total of 101 opposition and independent legislators on Friday filed a motion for the dismissal of Defense Minister Yi Pyongtae in connection with his recent controversial remarks on the use of new cities in the capital zone as barricades in emergency.

In the motion, Rep. Shin Ki-ha of the Democratic Party and other proponents claimed that the defense minister who is supposedly in charge of the safety of people, made reckless remarks to destabilize people.

Residents in Koyang and other areas North of Seoul were furious at Yi, who in a recent National Assembly testimony said his ministry was working on a new capital zone defense strategy featuring, among others, the use of new capital zone cities as barricades in emergency.

DPRK-U.S. Geneva Talks 'Will Be Suspended'

OW0907074094 Tokyo KYODO in English 0704 GMT 9 Jul 94

[Excerpts] Tokyo, July 9 KYODO—North Korea's supreme leader Kim Il-song died of a heart illness Friday at the age of 82, Pyongyang's official media reported Saturday, leaving uncertain the fate of bilateral and international efforts for peace on the divided Korean peninsula.

Radio Pyongyang reported Kim's death, which came at 2 A.M. Friday, in a special broadcast at noon Saturday, saying the North Korean president collapsed Thursday with a heart attack. [passage omitted on DPRK coverage of Kim's death]

In Geneva, a North Korean official told KYODO NEWS SERVICE the third round of high-level talks between the U.S. and North Korea scheduled for Saturday will be suspended. [passage on Clinton remarks omitted]

Also in Naples, Japan's Foreign Minister Yohei Kono, expressed hope Kim's death will not affect the situation over the Korean peninsula.

"I hope the latest event will not badly affect the peace and stability on the Korean peninsula," Kono said in a statement.

The Japanese foreign minister exchanged views on the situation on the Korean peninsula in an emergency telephone conversation with his South Korean counterpart, Han Sung-chu, at 2:30 P.M. Japan time. [passage omitted on CNN report on Kim's death]

UN Envoy: DPRK To Honor Nuclear Promise

OW1207040794 Tokyo KYODO in English 0354 GMT 12 Jul 94

[Text] New York, July 11 KYODO—North Korea will continue to honor a commitment made by its former leader Kim Il-song to freeze its nuclear program, a high-ranking North Korean official at the United Nations said Monday.

North Korea's Deputy Permanent Representative to the United Nations Kim Su-man told KYODO NEWS SERVICE that despite the death of Kim on Friday, his country will continue to freeze its nuclear program as part of its commitment to further talks with the United States concerning its refusal to allow international inspections of its nuclear facilities.

High-level talks between North Korea and the U.S., in Geneva, were suspended on the death of Kim last Friday, and attention has focused on whether the talks will resume, since the U.S. has insisted that a freeze in the North's nuclear program is an essential prerequisite.

Kim Su-man said International Atomic Energy Agency officials will be allowed to remain in Yongbyon, some 90 kilometers north of Pyongyang, where North Korea maintains an experimental reactor. He also said fuel rods taken from a 5-kilowatt reactor there will not be reprocessed or replaced.

Kim said North Korea's nuclear program is for peaceful purposes and there is no need to freeze its operations, but said his country will respond to the U.S. request in a bid to ensure that the talks take place. Kim also described the suspension of the Geneva talks as temporary. He said the talks can resume once the official period of mourning for Kim Il-song is over, on July 17.

But Kim said that with the death of the North Korean leader, there is no option but to postpone a planned summit between the leaders of the two Koreas.

Labor Union Conference Criticizes 'Multinationals'

OW0107074894 Tokyo KYODO in English 0719 GMT 1 Jul 94

[Text] Tokyo, July 1 KYODO—Labor union representatives from the Asia-Pacific region said Friday [1 July] that multinational corporations are contributing to the undermining of living conditions and human rights and damaging the environment in the region.

Delegates to the Asia-Pacific trade union symposium on "Workers' Rights, Human Rights and the Democratic Control of Multinationals" at Izunagaoka in Shizuoka Prefecture, criticized the operations of transnational corporations in the region in a press release issued at the close of the three-day symposium.

Some 130 people from Australia, India, Indonesia, Japan, South Korea, Malaysia, Thailand and the United States attended the symposium organized by the National Confederation of Trade Unions (Zenroren), a national federation of labor unions affiliated with the Japanese Communist Party.

It accused multinationals of promoting "deindustrialization" in their home countries and exploiting worse living and working conditions in host countries.

The meeting also unanimously adopted an appeal protesting the Indonesian Government's ban on the news magazines TEMPO and EDITOR and the tabloid DETIK.

The Indonesian Government banned the publications on June 19, accusing them of ignoring "oral or written warnings" after they published articles on the activities of former senior ministers and the purchase of 39 warships by Minister [of State] of Research and Technology Bacharuddin Jusuf Habibie.

Brunei, Malaysia & Singapore

Malaysia

Burmese Foreign Minister Makes Official Visit

BK0907110294 Kuala Lumpur BERNAMA in English 0338 GMT 9 Jul 94

[Text] Kuala Lumpur, July 9 (OANA-BERNAMA)—Myanmar [Burmese] Foreign Minister U Ohn Gyaw will arrive here on Monday for a three-day official visit.

Malaysian Foreign Ministry said in a statement Saturday that he would have talks with his Malaysian counterpart Datuk Abdullah Ahmad Badawi.

He will also meet Science, Technology, and Environment Minister Law Hieng Ding and Primary Industries Minister Dr. Lim Keng Yaik.

Gyaw, who will be accompanied by three officials of his ministry, will attend briefings at the Economic Planning Unit of the Prime Minister's Department, Rubber Research Institute of Malaysia, and Palm Oil Research Institute of Malaysia.

The visit is his first to Malaysia since becoming foreign minister in September 1991.

Arrives on 11 Jul

BK1107055794 Kuala Lumpur BERNAMA in English 0500 GMT 11 Jul 94

[Text] Kuala Lumpur, July 11 (OANA-BERNAMA)—Myanmar [Burmese] Foreign Minister U Ohn Gyaw arrived here Monday morning for a three-day official visit to Malaysia.

He was received by Deputy Foreign Minister Dr. Abdullah Fadzil Che Wan.

Ohn Gyaw will call on his Malaysian counterpart Abdullah Ahmad Badawi as well as Science, Technology, and Environment Minister Law Hieng Ding and Primary Industries Minister Dr. Lim Keng Yaik Tuesday.

He is also scheduled to visit the Palm Oil Research Institute of Malaysia (PORIM).

Commentary Hails Mahathir's Visit to France

BK1107101794 Kuala Lumpur Voice of Malaysia in English 0810 GMT 11 Jul 94

[Station Commentary]

[Text] Malaysian Prime Minister Dr. Mahathir Mohamed was in France for four days on an official visit. This underscores the key elements in Malaysia's foreign relations. The country is willing to develop and enhance cordial ties with all states irrespective of their ideologies. The prime minister's delegation included 28 senior government officials and 33 business leaders. It was a crowded schedule for the Malaysian prime minister. Apart from the frank discussions held with French Government leaders, there were meetings with representatives from the local business community. A number of contracts and some memoranda of understanding were also signed. There is no doubt that there are excellent prospects for the strengthening of trade, economic, and cultural relations between Malaysia and France. Malaysia's high rate of economic growth has made it a good market for not only consumer goods but for sophisticated capital equipment as well.

At the present time the Malaysian economy is poised for a take-off into a higher stage of growth. It is significant that Dr. Mahathir and his delegation devoted some time to vital sectors, such as space technology and rapid transport system. France has attained success in this field. Malaysia is interested in making deals with (?priced) and vested French enterprises. It is not merely the capital equipment but the transport technological skill that Malaysia is seeking. It is a certainty that French firms will take heed to the Malaysian prime minister's advice to invest more in Malaysia.

In Malaysia, a lot of attention has been devoted to news about the third car project. This will be launched in July 1995. The parties concerned are the new Malaysian company and an established French car manufacturing firm. The prime ministers of Malaysia and France witnessed the signing of the relevant memorandum of understanding. The written effects of all the agreements will be seen in tangible benefits for both countries. More employment opportunities, new skills, and yet another car at an affordable price, are three probable outcomes for the Malaysian community.

On the cultural plain, the Malaysian prime minister has explored the possibility of more facilities for Malaysia students to study French. The rapid growth of the European Union as a political and economic entities, the French language has become more important. It is also significant that during Dr. Mahathir's official visit to France, the position of an office of the European Union in the Malaysian capital was announced. This and other developments highlight the status of Kuala Lumpur as the national as well as the regional center for commerce. Malaysia's foreign policy aims to strike a balance by avoiding undue reliance on any one country for economic exchanges.

All in all, the prime minister's visit to France marked a more dynamic phase in Malaysian-French relations.

Letter Sent To Halt Conference Denied

BK1207044694 Kuala Lumpur NEW STRAITS TIMES in English 9 Jul 94 p 2

[Text] Lenggong, Fri.—The Malaysian government today denied allegation that it had made a request to the

Thai government to direct Al-Arqam leader Ashaari Muhammad to cancel his Press conference scheduled yesterday in Chiang Mai.

Deputy Minister in the Prime Minister's Department, Datuk Dr. Abdul Hamid Othman said no one in Malaysia has sent a letter nor a fax to the Thai Interior Ministry on the matter.

The allegation was baseless and designed to aggravate the situation, he told reporters before attending a meeting with Lenggong UMNO [United Malays National Organization] division members.

Ashaari had cancelled his Press conference scheduled at a hotel on the advice of the Governor of Chiang Mai Wirachai Naeobunnian .

The spokesman for the Al-Arqam leader, Tajul Arifin Abdul Rahman, who announced the cancellation, claimed that the Malaysian government had made a request to the Thai Interior Ministry to cancel the scheduled Press conference.

Dr. Abdul Hamid said the government did not prevent nor had any reason to cancel the Press conference.

The Malaysian government did not want to interfere in the administrative matters of other countries including Thailand, he said.

He also said the government was prepared to receive Ashaari for discussion to find ways to correct whatever was not consistent with the Islamic belief.

This was not new because 10 deviated tarekat [mysticism] groups had also held discussion previously on what they believed and had since then reverted to the truth, he said.

'No Physical Evidence' of Al-Arqam Force Found

BK1207080194 Kuala Lumpur BERNAMA in English 0554 GMT 12 Jul 94

[Text] Kuala Lumpur, July 12 (OANA-BERNAMA)—Malaysian Inspector General of Police Abdul Rahim Noor said Monday there was no physical evidence of the existence of a military force of the Al-Arqam religious movement in the country or overseas.

He said police investigations so far showed that there were no militant units of the Al-Arqam in Malaysia or Thailand.

The Al-Arqam might be a religious movement but talk of the existence of a military force touched on national security and public order and the police had to ensure that everyone obeyed the law, he told reporters here.

Abdul Rahim said the existence of the military force was only a belief of the Al-Arqam followers but it could be as dangerous as a real force.

He also said that Al-Arqam leader Ashaari Mohamed left the country in 1989 after his book Aurad Muhammadiah was banned by the government because of its deviationist nature. He said Ashaari did not leave because of any warrant of arrest for him.

There is no police record indicating that a warrant of arrest had been issued for him, Abdul Rahim said.

Since the banning of the book, Ashaari has been on self-exile overseas, he added.

He also said that all activities of the Al-Arqam movement in the economic and welfare fields would be observed by the police.

Kuala Lumpur To Assist Burma With Environment

BK1207075894 Kuala Lumpur BERNAMA in English 0552 GMT 12 Jul 94

[Text] Kuala Lumpur, July 12 (OANA-BERNAMA)—Malaysia will assist Myanmar [Burma] to manage the environment and wildlife.

Science, Technology, and Environment Minister Law Hieng Ding said Tuesday officers from the ministry would be sent to Myanmar to help formulate the relevant laws and regulations.

The Myanmar Government looks to Malaysia as a country from which it can learn, particularly in the area of the environment, as we have gone through all the stages over the past 20 years, he told reporters after Myanmar Foreign Minister U Ohn Gyaw called on him at his office here.

Ohn Gyaw, who is leading a seven-member delegation on a three-day visit to Malaysia from Monday, is also in charge of the environment in Myanmar.

Law said Ohn Gyaw had also expressed Myanmar's intention to seek Malaysia's help in the building of infrastructure and training of officers in various fields.

Minister: Phnom Penh Unhappy With Chakkrapong

BK1207100794 Kuala Lumpur BERNAMA in English 0902 GMT 12 Jul 94

[Text] Kuala Lumpur, July 12 (OANA-BERNAMA)—Foreign Minister Abdullah Ahmad Badawi said Tuesday the Cambodian Government had indicated it is not too happy with its former deputy prime minister Prince Norodom Chakkrapong being in Malaysia but it has not stated this officially.

He said the feeling of the Cambodian Government was indicated to the Malaysian Embassy in Phnom Penh.

Abdullah did not elaborate.

He was speaking to reporters after Myanmar [Burma] Foreign Minister Ohn Gyaw had called on him at his office here.

Chakkrapong had arrived here last Sunday [as received, coup attempt took place on 2-3 Jul] after an abortive coup in Phnom Penh. However, he said in a letter to Deputy Prime Minister Anwar Ibrahim that he was not involved in the attempt to seize power in Cambodia.

Following the coup attempt, the Cambodian Government placed former interior minister General Sin Song under house arrest.

Last Wednesday, Anwar said the cabinet decided to allow Chakkrapong to stay temporarily in Malaysia until the Cambodian Government had expressed its view on the matter.

Abdullah said that of importance now was what the Cambodian Government wanted with regard to the position of Chakkrapong.

We will consider the wishes of the Cambodian Government ... It is not a problem for us, he said.

Abdullah said he had not received any request from Chakkrapong on whether he wanted to remain in the country or go to another.

Singapore

Defense Minister: Air Force To Receive F-16's

BK0907121294 Singapore Singapore Broadcasting Corporation in English 1100 GMT 9 Jul 94

[Text] The Republic of Singapore Air Force [RSAF] is getting a full squadron of 18 of the more advanced class of F-16 fighter aircraft. Half will be used for training RSAF pilots in the U.S. and the rest will be based in Singapore. Defense Minister Dr. Lee Boon Yang said the first aircraft is expected to arrive in less than four years. He was speaking during a visit to the (Tanah) Air Base.

Korean, Greek Vessel Collision Causes Spill

BK0807133994 Singapore Singapore Broadcasting Corporation in English 1100 GMT 8 Jul 94

[Text] There has been a collision between two ships in Singapore waters. Both the Korean oil tanker (Ho Nampo) and the Greek boat carrier (?World Killis II) sustained damage.

The Port of Singapore Authority [PSA] said the collision occured early this morning south of St. John Island. One of the crew members from the Greek ship suffered minor injuries. Leaking oil from the tanker has reached parts of the shore of the East Coast Park.

A specialist from (?Shell) Company, however, said the size of the spill, below 100 tonnes of oil, was considered small. The PSA said dispersal has been straight and the oil spill is under control.

The Environment Ministry is cleaning up the affected shoreline at Bedok jetty and the East Coast lagoon.

Cambodia

Hun Sen: King 'Very Angry' About Coup Attempt

BK1207065594 Phnom Penh THE CAMBODIA DAILY in English 6 Jul 94 p 5

[Report by Chea Sotheacheat: "Co-PM Tries Stifling Persistent Coup Rumors"]

[Text] Responding to questions from journalists outside the National Assembly yesterday, Co-Premier Hun Sen stressed that assembly members, King Norodom Sihanouk and Thai Bun Roong head Theng Bunma were not involved in the coup attempt over the weekend.

"I want to confirm that (National Assembly members) Sar Kheng, Sin Sen, Tie Banh, Tea Chamrat, Yu Hokkri and Kieng Vang were at my home that evening," he said. "They were not behind the coup attempt."

When asked if the King had staged the coup attempt as a ploy to weaken Prince Chakkrapong's campaign for a seat on the National Assembly, Hun Sen said, "The King is very angry about the coup attempt. He was the victim of the coup in 1970.

"The King wants to protect Cambodia against such a coup. He really wants Cambodia to be safe," he added.

To a local journalist who asked if Theng Bunma, head of the Thai consortium Thai Bun Roong, was involved in the affairs, the co- premier stressed that "that is completely wrong."

Hun Sen scolded the journalists, saying that, by making such accusation, "you destroy your country and yourselves."

Paper Reports Hun Sen Remarks on Failed Coup

BK0907102894 Phnom Penh REAKSMEI KAMPUCHEA in Cambodian 9 Jul 94 pp 1, 2

[All quotation marks as published]

[Text] When the National Assembly meeting adjourned for 15 minutes on the morning of 7 July, reporters surrounded Samdech Hun Sen and asked him about a report that Samdech Chea Sim had suggested that the investigation to find those involved in the failed coup be terminated.

On this matter, Samdech Hun Sen replied: "Concerning all the events that have taken place, the two prime ministers cannot do anything without informing and consulting with the acting head of state."

"Therefore, there is no difference of opinion between the acting head of state and the two government leaders. Furthermore, I would like to say that yesterday morning Prince Krompreah, the first prime minister; myself; and His Excellency Sar Kheng reported to the acting head of state on matters relating to the failed coup."

We should realize moreover that there is a unanimity among the acting head of state, the two government leaders, and the relevant body conducting the investigation. The point is that "we will not make many arrests; we will not carry out many arrests." Why not? Because those staging the coup, those attempting to stage the coup, used the deceitful pretext of fighting the Khmer Rouge. However, had they said they were going to attack the government, I believe that only about 20 people would have taken part in it. So, we come to the conclusion that we will not make many arrests. We will only arrest the ringleaders, the initiators. Samdech Hun Sen further asked: "Why did they stage the coup, what for? In a preliminary admission, which was put in writing, General Sin Song admitted that the coup's aim was to destroy and dissolve the government. Sin Song said this was because it was "an anarchic government, and it was therefore necessary to set up a provisional national salvation government and then go on to an election to choose assembly members and a head of state."

"Therefore, I would like to inform you that those compatriots who were told to get ready or those who moved toward Phnom Penh are not guilty because they were not told they were going to fight and topple the government. They were instead told to move to Phnom Penh to fight the Khmer Rouge."

Samdech Hun Sen stressed that "Samdech Chea Sim did not obstruct the government investigation and activities and there are no differences of view between the acting head of state and the government."

Concerning a question on the detention of His Excellency Sin Sen, Samdech Hun Sen said that if had there been no connection, there would have been no detention; there was an involvement on his part in the coup.

If it had been only a criminal offense such as abducting a woman or sleeping with her for a night, or a small scale corruption case, it may not have led to detention. We would have referred the case to a separate court. However, I reserve the right to say "only this much."

It should be recalled that, concerning the recent failed coup, the royal government has detained three generals: Sin Song, Sin Sen, and Tes Chay. Prince Chakkrapong was sent to Malaysia.

In another event, during the meeting with the Lao foreign minister on the morning of 7 July, Second Prime Minister Samdech Hun Sen said that the coup attempt led by former National Security Minister Sin Song and Prince Kromkhun Norodom Chakkrapong, former deputy prime minister of the State of Cambodia, was aimed at dissolving and violating the legitimate royal government voted into office by the Cambodian people; it was also a violation of the Paris agreement in general.

Samdech Hun Sen further said that what was positive was that, after the realization that a failed coup had taken place, the alliance between the two parties—the Cambodian People's Party and FUNCINPEC [National United Front for an Independent, Neutral, Peaceful, and Cooperative Cambodia]—was getting very close. This shows that a victory has been achieved and that nothing can destroy the people's will; it is the will of the people to support the two parties leading the royal government.

More Remarks Reported

BK0907102894 Phnom Penh REAKSMEI KAMPUCHEA in Cambodian 9 Jul 94 pp 1, 2

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Khmer Rouge Leader Announces New Government

BK1207033394 (Clandestine) Voice of the Great National Union Front of Cambodia in Cambodian 2330 GMT 11 Jul 94

[10 July Communique of the Special Meeting of Representatives of Democratic Kampuchea, National Army of Democratic Kampuchea, and people from all circles held on 9-10 July; place not given—read by Khieu Samphan]

[Text] A special meeting was held on 9 and 10 July with the participation of representatives of Democratic Kampuchea, the National Army of Democratic Kampuchea [NADK], and people from all circles. The meeting has decided to set up a provisional government called the Provisional Government of National Union and National Salvation of Cambodia. The following is the meeting's communique read by His Excellency Khieu Samphan:

[Begin Khieu Samphan recording] On 9 and 10 July a special meeting was held with the participation of representatives of Democratic Kampuchea, the NADK, and people from all circles. After holding exhaustive and detailed consultations and discussions on all aspects with a high sense of responsibility for the destiny of the Cambodian nation and race, the participants had a clear understanding of the situation as follows:

I. On the national situation: The national situation is becoming dire with each passing day and is diving headlong to the bottom. This is:
A. Because the war launched by aggressor communist Vietnam since 1978 continues to rage on and inflame Cambodia.
B. Because national reconciliation and national unity, which is the profound aspiration of our entire Cambodian nation and people, are being opposed and sabotaged by those who do not want it to be realized.
C. Because communist Vietnam and its puppets are becoming more domineering, more dictatorial, and more fascist in all sectors and fields.
D. Because aggressor communist Vietnam continues to occupy Cambodia and annex Cambodian territory, taking tens of thousands of square kilometers of Cambodian land, water, and islands; and especially because four million ethnic Vietnamese have immigrated into Cambodia and ruled the roost here, ruthlessly plundering the water, land, orchards, forests, lakes, rivers, fish, and resources of the nation and people.

II. On the social situation: The social situation is dark and bleak. In general, the people have lost their rice fields, orchards, lakes, and rivers, and have nothing left to tap for their livelihood. There are corruption problems, extreme corruption, thefts against the nation and people, embezzlement, and fascism. There are problems of social vices, depravities, and crimes of all kinds. There are problems resulting from imposing a myriad of taxes. There are problems of repressing, kidnapping, killing, and robbing people of their money and property. There are problems of disorderliness and anarchy. Everything is decided at gunpoint.

III. In the face of such a serious, extremely serious, situation in which 99 percent of the National Assembly belongs to communist Vietnam, 99 percent of the two-headed government is a communist Vietnamese puppet government, 99 percent of the soldiers belong to communist Vietnam, 99 percent of the police belong to communist Vietnam, and 100 percent of the administration at all levels in the countryside and 99 percent in Phnom Penh belong to communist Vietnam; therefore, 100 percent of the National Assembly, government, soldiers, police, and the administration from 1979 to 1993, and 99 percent of them from 1993 to the present constitute the instruments used by the aggressor communist Vietnam to kill the Cambodian nation and people in the past 15 years. They continue to be used to kill us in a most fascist manner. These are almost entirely the instruments that the communist Vietnam has used to wage an endless war against patriotic Cambodians and the people to give communist Vietnam an opportunity to swallow Cambodia and exterminate the Cambodian race.

IV. Our Cambodian nation, people, and race is falling into a deep abyss and facing a crisis that can lead to total extermination and turn us into a second Kampuchea Kraom. Our nation and people in all social strata and circles are suffering great pains and injury in the most extreme manner because of the increasingly seething and deepening national and social differences. Moreover, while our nation and people demand that national reconciliation be realized, all forces be united, and peace be brought about so that together we can work to solve all the large and small problems of the nation, Communist Vietnam and its puppets are resorting to their fascist laws to repress, arrest, and shoot to kill in the most cruel and savage manner.

At present, they have become even more domineering, dictatorial, and fascist. They are attempting to do away with Democratic Kampuchea, which is the support of the nation and people, and deprive the entire nation and people of all backing. They have strategically determined that if the fascist law outlawing Democratic Kampuchea is accepted they will succeed in doing away with the nation and people and in fully and totally swallowing Cambodia.

V. Because of this situation, the meeting participants have decided to set up a government called the Provisional Government of National Union and National Salvation [PGNUNS]. This PGNUNS has its office in Preah Vihear Province.

VI. The PGNUNS's political objective is as follows:
A. It seeks national reconciliation, national unity, and national reunification. It rallies forces from all political affiliations regardless of their past in order to create a sufficient national force to work together to solve the seriously deteriorating and aggravating national and social problems.
B. It musters and links up with all national forces so as to secure enough force to end the ongoing and ceaseless war waged by aggressor communist Vietnam. It will also solve the problem of the four million ethnic Vietnamese, who pose the greatest danger to the survival of our Cambodian nation, people, and race.

VII. The PGNUNS is initially made up of the following: His Excellency [H.E.] Khieu Samphan, prime minister and minister of the National Army; H.E. Chan Youran, deputy prime minister, minister of foreign affairs, and minister of the defense of national culture, literature, and customs; H.E. Mak Ben, minister of rural areas, agriculture, and water conservancy; H.E. In Sopheap, minister of immigration dealing with the problems of Vietnamese immigrants in Cambodia; H.E. Kao Bunheng, minister in charge of the situation and labor [ka ngea] in Phnom Penh and the cities; H.E. Pich Cheang, deputy minister of the National Army; and H.E. Doctor Professor Chuon Choeun, special adviser to the prime minister on the people's health and sanitation. This composition may be expanded as the need arises.

VIII. The PGNUNS is open to all patriotic personalities who support and agree to implement the above political objectives. It will allow them to join this government or assign them missions according to their abilities and potential.

IX. This meeting would like to express its profound respects to His Majesty Norodom Sihanouk, the august patriotic king. The meeting participants wish him a prompt recovery, long life, and a specific role in solving the national problems so that his subjects can live in happiness forever.

X. At this time when our Cambodian nation, people, and race is facing such a great danger, the meeting participants appeal to all compatriots both in the countryside, in Phnom Penh, and abroad to continue upholding the single-body union with the PGNUNS so that together we can advance toward realizing national reconciliation, national unity, and genuine peace and join hands in solving national problems to save the nation, that is, to perpetuate our Cambodian nation, people, and race.

10 July 1994 [end recording]

Sihanouk Wants New Clause in Constitution

BK0907105994 Phnom Penh AKP in French 0409 GMT 9 Jul 94

[Quotation marks as received]

[Text] Phnom Penh 9 Jul (AKP)—His Majesty Norodom Sihanouk, king of Cambodia, recently proposed from Beijing that the National Assembly add a new article to the Cambodian Constitution.

In his message addressed to Samdech Chea Sim, acting head of state and chairman of the National Assembly of the Kingdom of Cambodia, the Cambodian monarch "begs the samdech and our Cambodian National Assembly to look into and include an arrangement into the text of our Constitution, the wording of which is: "In case of sickness or medical treatment abroad, the king has the right to grant a procuration to the acting head of state to sign all laws approved by the National Assembly.

National Assembly To Add Clause

BK1207064494 Phnom Penh AKP in French 0400 GMT 12 Jul 94

[Text] Phnom Penh 12 Jul (AKP)—The National Assembly of the Kingdom of Cambodia will hold an extraordinary session Wednesday, 13 July, to examine a proposal made by His Majesty Norodom Sihanouk.

As a matter of fact, the Cambodian king recently sent a letter from Beijing asking the National Assembly to insert into the text of the Constitution a clause authorizing the acting head of state to sign laws by procuration of the king in case the latter is sick and receiving medical treatment abroad.

Last Thursday the National Assembly unanimously passed the bill outlawing the Khmer Rouge. This law consisting of 10 articles was signed the same day by the chairman of the National Assembly. King Sihanouk is currently in a Beijing hospital for cancer treatment.

Mr. Chea Sim, chairman of the National Assembly, assumes the functions of the acting head of state in conformity with the Constitution.

Disputed Market in Phnm Penh To Open

BK0807112094 Bangkok THE NATION in English 8 Jul 94 p A 9

[Text] A company at the centre of a row that sparked anti-Thai demonstrations in Phnom Penh earlier this year has began accepting appliciation from traders for its controversial new market.

The Thai Boon Roong Company (TBR) pushed ahead with the sale of space at the new Olympic market despite its failure to reach a settlement with vendors at an old market of the same name.

TBR, which has reduced the rents on its stalls twice in the last six months, is currently offering to rent space to certified vendors from the old site. But the old vendors continue to reject that offer, and as a group are standing by their original demand that the stalls be provided free. King Norodom Sihanouk and Finance Minister Sam Rangsi have supported the vendors' in their fight for free space at the new market. Merchants backed their demands with street protests early this year.

Bills from the Council of Ministers have been posted around the old Olympic market saying the TBR building will open on June 30 and that the merchants from the old site have until July 30 to commit themselves to a stall with TBR. After that date, the posters say, the traders will lose their right to rent space.

Potential new vendors are now buying application forms at the new market for 1,000 Riel. They are being offered sales space at prices starting at $12,000—they are not eligible to rent.

In the past three weeks, hundreds of people have gone to the TBR building to discuss or complete deals.

Some vendors from the old market have broken ranks with the majority of their compatriots, and have submitted applications to rent space. Interviews with these vendors indicate that more are likely to follow suit.

The dilemma facing the traders is a product of several factors: their stubbornness in their demands for free stalls, the go-ahead given by the Royal Government to TBR and vague televised threats from the government, aimed at the old vendors.

As a consequence, if the vendors remain collectively inflexible, they may be squeezed out by the new market, security chief Chhim Chhengli said.

"If the vendors do not accept a stall at the new Olympic market by the end of August, they will be considered new vendors and will lose their right to rent. They will have to negotiate directly with (TBR)," he said.

Vendors at the old market say that they were told that if they did not leave the old market area by August unspecified "strict measures would be taken."

A cassette tape seller at the old site said: "There is no doubt that the government will evict us. They dare to say this, they dare to do it."

A second-hand clothes vendor added: "All of us don't want to move. We move with tears, because of the force."

When the TBR began construction on the New Olympic Market eight months ago, vendors from the old market were temporarily moved to land next to the Olympic Stadium. The land will be returned to the Education Ministry, official posters at the market say.

One vendor interviewed at the new market said: "We are in a deadlock with the government. But like fish with no water, we must move to find water. I think that 90 per cent of the old vendors will rent in the end."

Nam Ngang is one of a growing number of old vendors who have inspected the new market. "I want to rent a stall to sell candy and soft drinks, but $60 a month is a lot of money. The stall here is very good, but it is narrow."

When asked whether he thought that things would be better at the new market, he said: "At the old market, I only made enough money for food. Here maybe it is worse, but what choice do I have?"

The original Olympic Market vendors say they remain as committed as ever to their demand they be given free stalls.

They claim that they are not making money at the old market, and cannot pay for stalls at the new one.

Space for the 1,951 registered traders in the old market has been set aside for weeks, with the rest left for newcomers.

"All of the traders vigorously follow the King, and the price of the stalls should be free," a woman said, speaking for a large group of the traders gathered around her.

Vendors interviewed at the old Olympic Market said that none of them had made commitments to rent space in the new market.

"This decision of the government is very bad. It makes the reputation of the government very bad. They use dictatorial methods," a woman merchant said.

"Hun Sen has liberated us from Pol Pot regime, but why does he make a decision to kill the traders like this? The government seems to be happy when they see the people killed."

"We want to know whether this country is a dictatorship or a democracy."

A woman vendor said: "When you see Samdech Hun Sen and Prince Ranariddh, tell them that we would like them to reexamine the King's decision. If the Co-Prime Ministers don't follow the King's decision, the people will not believe in the government anymore. And we will not want to be Cambodian anymore. We want to be another race, we want to leave Cambodia."

The vendors claim that they make very little at the old market and they don't expect to earn much at the new one. "We spend very much, but we get very little from our shops. We lose more than we earn," a vendor said. Others around him nodded. One said, "In one month, I get no income."

But security chief Li at the old market disagrees.

He said: "If they didn't make money, they wouldn't be here selling."

Chhim said: "In the past the (Thai Boon Roong) company has made many concessions to the traders. In my opinion they have been fair. They money for renting the stalls is for the new building." [sentence as published]

Columnist Finds Fault With Timber Export

Part 1

BK1207074494 Phnom Penh THE CAMBODIA DAILY in English 8-10 Jul 94 p 7

[Part 1 of 2 from the "Local Analysis" column by Suzan Mackley: "Timber Transfer May Hurt International Donor Image"]

[Text] In their widely-publicized letters of June 17 to neighboring Thailand, Vietnam and Laos, Co-Premiers Hun Sen and Prince Ranariddh abolished all controls and procedures previously necessary to export timber. The new policies offer a more clear-cut process, involving only the approval of the co-premiers for the Ministry of Defense to arrange exports.

But this arrangement may not only sap funds desperately needed by other ministries previously allocated this revenue, but it also makes the national budget far less transparent.

In an industry plagued with exploitation and corruption, strict procedures had been established by the Ministry of Economics and Finance and the Ministry of Agriculture, Forestry and Fisheries to provide inventory information on forest resources and revenues.

The Finance Ministry attributes these former controls and procedures to the considerable increase in tax revenues from the export of timber in the first quarter of 1994.

Even a forfeiture tax was collected on timber arriving in Thailand from Khmer Rouge areas. This was possible due to a Certificate of Origin [C-of-O] furnished by Cambodian customs officials. The "C-of-O" was also a final means to assure adequate resource inventory. Its use has also been abolished.

The new program circumvents these controls, promising that all revenues from timber exports will be unaccounted for in the national budgetary process.

Future export will therefore violate The Law on the Budget for 1994 (LB), as well as the Law on Financial Structures (LFS), both approved by the National Assembly on 28 December 1993. LB and LFS were created to avoid fraud or "other illegal activity which could unbalance the (National) budget."

LFS Articles 11 and 12 state "all state revenue must be deposited in the state treasury, in full, immediately after its collection by state institution...for use in supporting total state expenditures."

Sources in the international donor community in Phnom Penh say budget control and customs administration are key areas in assessing the strength or weakness of countries. Benchmarks of "macroeconomic and structural actions expected" by the IMF include budgetary reviews and bringing "off-budget expenditure ministries back within central control."

Such steps toward "budgetary transparency" have been credited with winning pledges of up to $1.7 million [as published] at the 1993 and 1994 International Conferences on the Reconstruction of Cambodia (ICORC).

Whether the new logging arrangements signal a trend toward less transparency remains to be seen.

But as the World Bank begins its formal appraisal for technical assistance next week and the International Monetary Fund's (IMF's) $120 million Enhanced Structural Adjustment Facility (ESAF) Program gets underway, some funding insiders speculate that the new timber revenue arrangements may give donors serious pause for thought the next time they open their checkbooks.

Villages Said Liberated in Siem Reap Province

BK0907102394 (Clandestine) Voice of the Great National Union Front of Cambodia in Cambodian 2330 GMT 8 Jul 94

[Excerpt] On 7 July the National Army of Democratic Kampuchea [NADK] and the people cooperated in an attack to destroy five positions of the invading forces in Sot Nikom district, Siem Reap Province; the positions were at (Ta Ke Khang Lech), (Ta Ke Khang Kaeut), (Vat Damlaeung), (Vat Lar), and (Chan Sar) villages. We liberated three communes: (Thmar Koul), (Chan Sar), and (Sema) villages.

Of the invading soldiers, we killed eight and wounded 12, destroying 15 weapons and 15 military structures. We seized 12 weapons: five AK's, four (AP)'s, two B-40's, and a 60-mm mortar. We also seized 30 (AP) shells; 1,000 rounds of AK ammunition, 15 mines, 20 bundles of goods, and a quantity of other war materiel.

The NADK and our people captured 25 military and civilian officials belonging to the two-headed government. On the same day, the NADK and the people shelled the command post of Division 11 on Phnum Bok, killing one and wounding one.

[Passage omitted on the happiness of people over the liberation of their villages]

30 Villages in Battambang Said Liberated

BK0907101694 (Clandestine) Voice of the Great National Union Front of Cambodia in Cambodian 2330 GMT 8 Jul 94

[Excerpt] The National Army of Democratic Kampuchea [NADK] and the people on 5 July cooperated in an attack against invading troops of the two-headed government along the lower part of Mongkolborei river, liberating 30 villages and three communes: Sambuo, (So Mong), and (Kouk Balang) communes. Eighteen invading troops were killed on the spot and a number of others wounded; 24 others were captured, including a lieutenant colonel, two captains, and a second lieutenant. Three commune office buildings and the command post of the 1st battalion of Banteay Meanchey Province were completely destroyed.

We seized 41 assorted weapons, including one 82-mm and three 60- mm mortars, a (CETMI) machine gun, seven B-40's and B-41's; an (AP) grenade launcher, two field radios, and a quantity of ammunition and war materiel. The 1st battalion of Banteay Meanchey Province—its troops and command post—was eliminated. A number of surviving soldiers fled home; others asked to join the people and the NADK. [Passage omitted on complaints by defecting soldiers]

Paper Reports French Aid for Power Network

BK0907103094 Phnom Penh REAKSMEI KAMPUCHEA in Cambodian 9 Jul 94 p 4

[Summary] It Prang, under secretary of state for the Industry Ministry, recently told the inter-ministerial group for preparing the economic plan for the second half of the year that, following an agreement signed recently, the French Government has promised to give aid worth around 10 millions francs to the Cambodian Government to restore electricity production in Phnom Penh through the French Electricity Company (EDF).

Last year, EDF implemented a French Government aid program worth about 20 million francs—8 million in cash and 12 million in the form of equipment, consisting of a 1.8 megawatt generator, spare parts, and three mobile workshops, to set up a power network.

The agreed aid of 10 million francs will be used for setting up an electricity network in Phnom Penh. This work will start soon.

Indonesia

Suharto Comments on Sending Envoy to Funeral

BK1207051894 Jakarta ANTARA in English 1643 GMT 11 Jul 94

[Excerpt] Jakarta, Jul 11 (OANA-ANTARA)—President Suharto has said that he wants to send a representative of a higher ranking government official to attend the funeral of the late North Korea President Kim Il-song, who passed away on Friday morning, but so far there is not clear whether there will be an official funeral ceremony for the Pyongyang leader.

"We are still waiting for the words about the funeral," Minister/State Secretary Murdiono told newsmen after accompanying President Suharto to greet the arrival of Slovakian Prime Minister Josef Moravcik at the gorunds of the Merdeka Presidential Palace here on Monday.

Murdiono said that on Saturday, President Suharto had sent a a message of condolence to the government and the people of the People's Democratic Republic of (North) Korea in connection with the passing away of President Kim Il-song.

The minister further said that Indonesia is still waiting an official statement from Pyongyang about the funeral of the North Korean leader as earlier reports say that there will be no official funeral for the late Kim Il-song. [passage omitted]

Military Chief Cites PRC on Spratlys

BK1207054694 Jakarta ANTARA in English 1823 GMT 11 Jul 94

[Text] Jakarta, July 11 (ANEX-ANTARA)—Indonesian Armed Forces (ABRI) Chief General Feisal Tanjung said

Monday China has pledged to settle the Spratly islands issue in a peaceful and amicable manner.

Briefing the press here on the results of his recent visit to China, the general said China's assurance was given when he met with Chinese President Jiang Zemin and other Chinese top government officials.

The Spratly islands, situated in the South China Sea, has for the past few years been the subject of a territorial dispute among [Malaysia], Brunei Darussalam, the Philippines, Vietnam, Taiwan, and China.

The islands are believed to hold sizable crude oil reserves.

"China intends to resolve the issue in a peaceful and amicable way," the general said.

Chinese officials had also expressed the hope that there would be stronger ties bewteen their armed forces and ABRI, particularly in the educational area.

The general declined to answer a question whether Indonesia was planning to purchase China-made military weapons although he had visited a Chinese missile plant.

Tanjung said in his discussions with some Chinese leaders he had also touched on the preparations currently being made by Indonesia to host an Asia-Pacific Economic Cooperation (APEC) leaders meeting in November this year.

China along with 18 other countries is a member of the APEC forum.

Suharto, Moravcik View Ties at State Banquet

BK1207051394 Jakarta Radio Republik Indonesia Network in Indonesian 1500 GMT 11 Jul 94

[Text] Indonesia and the Republic of Slovakia will upgrade their bilateral relations, particularly in economics and trade. This was stated by President Suharto and Slovak Prime Minister Josef Moravcik at the ongoing state banquet at the State Palace in Jakarta tonight.

In his address, President Suharto expressed his happiness that the efforts to upgrade bilateral cooperation are based on mutual interests:

[Begin Suharto recording] I am happy that the friendly bilateral ties between our two countries have been established on a healthy basis; that is, mutual respect for each other's sovereignty, non-interference in each other's internal problems, and bilateral cooperation for mutual benefit. Therefore I happily welcome the signing of an agreement to upgrade and protect investments between Slovakia and Indonesia. Our countries both have individual potential. We each need to expand our potential, for our mutual benefit, to strengthen our performance. [end recording]

In his address, the Slovak prime minister said that positive prospects exist for bilateral cooperation. Slovakia can emulate Indonesia's experiences and play a role in Indonesia's industrialization.

After concluding his address a short while ago, the Slovak state guest, accompanied by President Suharto and his wife, watched traditional Indonesian dances and listened to angklung [bamboo instrument] music. Vice President Sutrisno and other high-ranking government officials were also there.

Prior to the state banquet, President Suharto and his wife exchanged souvenirs with their state guests.

Pact Signed

BK1207090294 Jakarta Radio Republik Indonesia Network in Indonesian 0700 GMT 12 Jul 94

[Text] Indonesia and Slovakia have agreed to overcome problems in cooperation, particularly in ensuring a smooth flow of trade and transaction payments. The agreement was reached during a meeting between President Suharto and Slovak Prime Minister, Josef Moravcik, at the Merdeka Palace today.

Minister/State Secretary Murdiono, who clarified the outcome of the meeting to reporters in Jakarta this morning, said the two countries also agreed on the opening of an Indonesian embassy in the Slovak capital. The Indonesian ambassador is currently based in Prague. He also said an investment agreement was signed this morning. A cooperation agreement on trade, investment protection, the avoidance of double taxation, and banking will also soon be signed.

According to Minister Murdiono, the Slovak prime minister, Josef Moravcik, also invited President Suharto and his wife to visit his country.

Protest Against Church Sacrilege in East Timor

BK1207063894 Hong Kong AFP in English 0624 GMT 12 Jul 94

[Text] Jakarta, July 12 (AFP)—Several hundred people took part in the biggest demonstration in the East Timor capital since troops violently put down anti-government protests in November 1991, witnesses said Tuesday.

Around 300 people demonstrated in Dili on Monday against an act of sacrilege in a Roman Catholic church by two Indonesian soldiers last month, the witnesses said.

The soldiers were arrested after stamping on communion wafers in St. Joseph's church at Remexio, south of Dili, on June 28. The incident caused public outrage in East Timor where 90 percent of the 700,000 population is Roman Catholic.

Most of the demonstrators were young people who carried banners showing the Virgin Mary, said one witness in a telephone interview.

"Down with the people who come to destroy the sacred values of our religion," was written on one of the banners.

The demonstrators held a rally outside a church before marching to the provincial governor's palace where they were received by vice-governor General Johanes Haribowo and local chief of police Sugianto Andreas.

The event was the biggest demonstration in Dili since troops killed dozens of people who took part in a rally on November 12, 1991 to call for independence for the former Portuguese colony of Timor, annexed by Indonesia in 1976.

All the participants at the latest rally were taken to the Armed Forces Headquarters where they were photographed before being released, the witness said.

The garrison commander, Colonel Johny Lumintang, has already apologised publicly for the act of sacrilege and promised that the soldiers would be tried. The colonel also appealed for calm.

THE JAKARTA POST on Tuesday identified the detained soldiers as Bakhrul Alum and Nurcahyo. The newspaper said an officer, who was not identified, had also been detained.

A church source involved in the row, said the soldiers had been transferred to Jakarta. But no military officials were available to comment.

Minister Reviews Cabinet Meeting on Security

BK1207061394 Jakarta THE INDONESIA TIMES in English 2 Jul 94 p 1

[Text] Coordinating Minister for Political and Security Affairs Susilo Sudarman stressed there is no term as "political prisoner" (Tapol) in Indonesia and this misleading terminology should be rectified.

There are only the usual criminal detainees who have violated the provisions of the Indonesian Penal Code. For example, Xanana Gusmao had killed innocent people and had indulged in arson which had destroyed and incurred heavy damage to public property.

Susilo made the remark [when] replying to questions from newsmen after the Polkam (political and security) meeting on Thursday. He said it was wrong and misleading term.

Asked about the possibility of new publishing permits for the three banned magazines in Jakarta, he said this will be considered seriously by the Governnent if the individual principals of those magazines forward their applications.

Replying to a question whether the old principals could still sit in the respective new magazine, he said certain conditions have to be met. "The two sides, namely the government and the prospective holders of the permits, have to be on the same wavelength about responsibility and the Pancasila press.

He did not give any time limit for the applications. "If they don't apply," he said, "we would not consider any new permits", he asserted.

But, he assured that the political and security meeting had concluded full support for the revocation of the publishing permits of "TEMPO," "EDITOR," and "DETIK." "This has been done through legal norms and after hearing the opinion of the Press Council," he added.

Asked about the seminar on East Timor in Malaysia, he said ASEAN solidarity would be a strong factor for the consideration whether there was any positive point for such a seminar. But, nevertheless, it was an internal matter of the Malaysian Government, he added.

At the same time, the coordinating minister said the government was serious about he performance of national discipline in the country. This could be improved in the application of building permits and other such facilities. "The public servants should enhance their sense of giving the best service to the public."

He also said that the political and security condition in the country was stable and under control.

Shift in Nation's Development Strategy Noted

BK1207085694 Jakarta Radio Republik Indonesia Network in Indonesian 0600 GMT 12 Jul 94

[From the press review]

[Text] The daily KOMPAS underlines President Suharto's appeal that foreign aid or loans should not be used for consumptive purposes. The president specifically stated that aid from donor nations belonging to the CGI [Consultative Group on Indonesia] for the 1994-95 fiscal year should be used to finance various projects on human resources development, infrastructure, agriculture, rural development, environment, and the eradication of poverty. The six areas are of strategic significance because they are directly related to the survival of a nation. According to KOMPAS, the remarks by the head of state were of strategic significance and a manifestation of our responsibility for maintaining the trust of the CGI members. President Suharto's remarks also showed a shift in Indonesia's development strategy. Development programs have in the past emphasized three areas which are of consumptive nature—clothing, food, and housing. But, they are now emphasizing efforts to enable the nation to exploit its potentials.

Thailand

Official Reports U.S. Call for Market Opening

BK1207092394 Bangkok BANGKOK POST in English 12 Jul 94 p 30

[Text] The United States has reiterated it request that Thailand open its financial and insurance markets wider to foreign players.

Jeffrey Shafer, US Assistant Treasury Secretary, delivered the message yesterday during a meeting with Finance Minister Tharin Nimmanhemin.

Somchai Ruchupan, director-general of the Fiscal Policy Office, said Mr Shafer was not making a demand but merely expressing the US view on bilateral understanding.

Dr Somchai said the United States had agreed that Thailand had made favourable progress in opening its financial market, but Washington wants the market to be even more open. "It wants Thailand to permit foreign securities houses or foreign owned subsidiaries to operate business in Thailand."

He said the United States also wanted foreign banks under the Bangkok International Banking Facilities [BIBF] scheme to borrow loans in baht.

He said the US appreciated the Thai Government's policy to allow foreign BIBF units to open two provincial branches and also the policy to allow five foreign BIBF units to upgrade to be full branches in 1997. However Washington wants Thailand to allow more than five because under such a quota, only one US bank would enjoy the privilege.

Mr Shafer, who is on an official visit to Thailand, reportedly also wants Thailand to allow more foreign financial experts to be able to do business here.

Dr Somchai said the Finance Ministry agreed because Thailand could not build up sufficient expertise in the field to meet demand. "But the Finance Ministry will consider and accommodate this on a case-by-case basis."

Regarding the insurance industry, the US wants the Thai Government, which is considering granting more insurance licences, to consider granting them to foreign firms.

One way of opening the financial sector is to separate finance and securities firms by allowing, as incentives to securities firms wanting to separate from their associated finance companies, foreign firms to hold more share equity. The current limit is 25

of total shares, but this will be raised to 49

with the figure possibly rising further in the future.

The Thai Government, meanwhile, has made some requests of its own to Washington.

The Finance Ministry has asked the US to streamline its procedures in permitting foreign banks to open branches there. Foreign banks applying to set up branches in the US have to supply certain information.

But Washington also requests information from other countries in which the applicant banks have branches. "Such procedures are too clumsy and not in line with the spirit of opening markets."

Thailand also asked the US to review what it called discrimination in collecting auditing fees only from foreign banks.

He said the Finance Ministry expressed its disagreement with the US over its Fair Trade in Financial Services Act. This law would authorise the US Treasury Secretary to sanction any country that he believes does not offer fair treatment to US financial firms.

Dr Somchai said Thailand believed the Act, if imposed, would run counter to the spirit of the General Agreement on Tariffs and Trade.

South Korea To Participate in ASEAN Forum

BK1207092494 Bangkok THE NATION in English 12 Jul 94 p A4

[Text] South Korea has confirmed it will attend this month's Asean meetings in Bangkok, Foreign Minister Prasong Sunsiri said yesterday.

He received confirmation by telephone from South Korean Foreign Minister Han Sung-chu, who said he could attend. South Korea is a dialogue partner of the Association of Southeast Asian Nations (Asean).

Prasong said he was also briefed on developments on the Korean peninsula. Sung-chu confirmed postponement of the North-South summit, initially set for July 25-27, due to the death of North Korean leader Kim Il-song.

The South Korean foreign minister had earlier advised that the scheduled summit would make it difficult for him to attend the Bangkok meeting.

South Korea is one of seven dialogue partners due to have annual talks during the Asean Post Ministerial Conference in Bangkok from July 26 to 28. Sung-chu will also attend the first meeting of the Asean Regional Forum to discuss security issues on July 25.

Prasong said he and Prime Minister Chuan Likphai have sent separate letters of condolence to North Korean leaders to express Thailand's sympathy at the death of Kim Il-song.

Flags would be flown at half mast on government buildings for seven days as a mark of respect.

Representatives of diplomatic missions sign the condolence book at the North Korean Embassy in Bangkok yesterday.

Comments on Khmer Rouge Situation Reported

Foreign Minister Interviewed

BK1107142494 Bangkok Radio Thailand Network in Thai 1200 GMT 11 Jul 94

[Text] The Khmer Rouge has established an interim government in Preah Vihear Province to counter the Cambodian Government, which passed a law outlawing it. It claims that its government has already been recognized by Cambodian First Prime Minister Prince Ranariddh [as heard]. Foreign Minister Squadron Leader Prasong Sunsiri commented on this during an interview with reporters at the Foreign Ministry today:

[Begin recording] [Prasong] I do not think any country in the world will recognize the Khmer Rouge government. This includes the Thai Government—we recognize the present Cambodian Government, which is an elected government.

[Unidentified reporter] The Khmer Rouge claims that its government has already been recognized by Samdech Norodom Sihanouk.

[Prasong] Well I do not know about recognition by a Cambodian for a Cambodian. What I mean is I do not think any foreign government, including that of Thailand, will recognize the Khmer Rouge interim government.

[Reporter] Do you think the Khmer Rouge made this move in response to Phnom Penh passing a law outlawing it?

[Prasong] That is what I believe; it has been clearly stated. This is a political tactic akin to an eye for an eye.

[Reporter] Has the Phnom Penh government officially informed Thailand that it has passed a law outlawing the Khmer Rouge?

[Prasong] Not yet. This is Cambodia's internal affair. If it wants any country to take action, Cambodia will have to seek cooperation first. [end recording]

Reaction to Interim Government

BK1207073894 Bangkok BANGKOK POST in English 12 Jul 94 pp 1,3

[Excerpts] The Khmer Rouge announced yesterday it had formed a guerrilla government but the move was dismissed immediately by the Cambodian government as a vain bid to counter the group's new outlaw status.

Information Minister Ieng Muli described the self-proclaimed government as a "rather desperate" attempt to gain legitimacy following parliament's approval of a tough bill banning the ultra- left faction.

In Bangkok, Foreign Minister Prasong Sunsiri warned the guerrillas' decision risked escalating the Cambodian conflict.

The warning was echoed by Government Spokesman Aphisit Wetchachiwa who, along with Sqn Ldr [Squadron Leader] Prasong, said Thailand supported the elected government of Cambodia in Phnom Penh.

"We are worried that the announcement is a sign of escalating conflict, which obviously would affect the Thai people on the border," said Mr Aphisit. [passage omitted item]

The Foreign Minister said Thailand would consider on a "case by case " basis any request from the Cambodian government with regard to the implementation of the outlaw bill.

He said these considerations would be confined within the bounds of Thai law and would be guided by what is "reasonable" and "proper."

Mr Aphisit said he saw "very little possibility of any international recognition" of the Khmer Rouge provisional government. [passage omitted]

Western diplomats in Bangkok said the Khmer Rouge might be hoping that relations between Cambodia and Thailand, shaken in recent weeks by Cambodian charges of Thai support for the Khmer Rouge, might take a turn for the worse and Bangkok might ease its stance towards the guerrillas.

"If that's what they're hoping, they are going to be disappointed," said Mr Aphisit. [passage omitted]

A Cambodian government official said the provisional government was a move by the guerrillas to make their "external supporters and friends still believe they are a legitimate group".

But Cabinet Minister Sok An said the gesture was "meaningless" and would not enable the radical faction to escape sanction.

"I do not think there is a government in the world that would recognise this group of people."

The guerrillas' decision was also seen as an act of defiance against the government as it dismisses any hope of a negotiated accord and gives Phnom Penh further reason to intensify military activity.

"We have seen so far that the Khmer Rouge did not want to join the royal government," said Khieu Kanharit.

"But now forming a provisional government clearly demonstrates that the Khmer Rouge want to have their own autonomous zone.

Government military officials have justified campaigns against the guerrillas saying they "were implementing the constitution" which says "The Kingdom of Cambodian is an indivisible state." [passage omitted]

Deputy Defense Minister Interviewed

BK1207085194 Bangkok Radio Thailand Network in Thai 0530 GMT 12 Jul 94

[Text] Deputy Minister of Defense Major General Sombat Rotphothong granted an interview to reporters on the question of whether the formation of an interim government by the Khmer Rouge will affect the Thai-Cambodian border.

He said that the event should not affect the Thai territory bordering Cambodia, because the units of Thai Armed Forces, Rangers, and Border Patrol Police have regularly performed their duties to maintain peace and order along the border.

The deputy defense minister went on to say that the Thai Government has reaffirmed that it will not render any support for the Khmer Rouge interim government.

On the investigation of 14 Thais by the Cambodian Government on charges of participation in the recent coup d'etat in Cambodia, Sombat said the Ministry of Foreign Affairs has urged Cambodian authorities to complete the investigation as quickly as possible. He expressed concerns that the Cambodian Government may want to hold the 14 Thais longer. The Cambodian Government, however, should treat all the Thais fairly, the deputy defense minister concluded.

Adun Meets With Prasong To Discuss Coup

BK1207102694 Bangkok THE NATION in English 12 Jul 94 p A4

[Text] Former MP Adun Bunset, wanted by Phnom Penh after escaping arrest in Cambodia early this month, met Foreign Minister Prasong Sunsiri yesterday to repeat his denial of any involvement in the abortive coup in Phnom Penh.

After a meeting lasting almost an hour, Pol Lt Col Adun told reporters he had called on Prasong to submit letter clarifying his alleged involvement in the coup attempt, and to inform the minister about what happened to him during his stay in Cambodia.

Adun, a former police officer, has said he would not return to Cambodia to answer an investigation there for fear of his safety, but said he was ready to face interrogation in Thailand. He said Prasong promised to help him contact Cambodian authorities if he wished.

Adun said he was willing to meet in Thailand any fact-finding committee set up by Phnom Penh, but that it was up to them to initiate contact.

"If they come, I am ready to talk. All allegations must be cleared," he said.

"If the [Thai] government or officials want my testimony, I am ready to do so in Thailand. If the Cambodian government wants me to clarify [my position], I will never travel [to Cambodia], because I have absolutely no confidence in the situation there under any circumstance," Adul said in his letter to Prasong.

Prasong said nothing has been done on Adul's case as there has been no request from Phnom Penh.

Adun, a member of the New Aspiration Party and an adviser to Interior Minister Gen Chawalit Yongchaiyut, said his reputation had been stained and he would consult his lawyer, who has not yet returned from overseas on the next move to take.

He maintained that he was planning to build a casino in Cambodia's Koh Kong province, and had proof to support the claim. He commented on reports that a senior Cambodian tourism official had denied the existence of such a casino project, saying "everyone is just presenting their proof".

"It all depends on who is telling the truth. In their country, they can come up with any proof they want," he said.

Adun said Phnom Penh representatives of his company, Mahcong, had not yet submitted the casino proposal. He denied knowing or using any special connections to Cambodian officials for his business there.

Agreement Reached on Checkpoint With Cambodia

BK1207085994 Bangkok Radio Thailand Network in English 0000 GMT 12 Jul 94

[Text] Thailand and Cambodia have agreed to open a border checkpoint along their common border to facilitate trade flow between the two countries.

The agreement was reached yesterday at a meeting between a Thai delegation led by Governor of Surin Province Kopkun Thonglongya and a Cambodian delegation led by Siem Reap Deputy Governor Hem Bunheng. It followed a request by Cambodia for the opening of the Chong Chom border checkpoint in Kap Choeng District of Surin Province.

The two sides agreed that traders of both countries be able to pass through their common border within an area of no more than 1,000 meters on either side.

Cambodia is now badly in need of construction materials and cement in addition to consumer goods.

Apart from the trade agreement, Thailand and Cambodia also agreed to hold a sport event within this month to promote cultural ties between the two countries.

PRC's Qian Qichen Plans Official Visit

BK1207042094 Bangkok Voice of Free Asia in Thai 1030 GMT 11 Jul 94

[Text] According to a report from the Foreign Ministry, PRC Vice Premier and Foreign Ministry Qian Qichen and his delegation will pay a visit to Thailand as guests of the Foreign Ministry from 20 to 21 July.

During the visit, Qian Qichen and his delegatiion are scheduled to pay a courtesy call on Thai Prime Minister Chuan Likphai and hold talks with Foreign Minister Squadron Leader Prasong Sunsiri.

From 22 to 25 July, Qian Qichen will participate in the ASEAN foreign ministers' meeting as representative of ASEAN's dialogue partner and attend the ASEAN consultative meeting on regional security or ARF [ASEAN Regional Forum] on 25 July.

The Chinese vice premier and foreign minister will return home on 26 July.

Possible Action Viewed Against Japanese Paper

BK1207085894 Bangkok BANGKOK POST in English 12 Jul 94 p 6

[Text] The Foreign Ministry may ban distribution of Japanese daily newspaper ASAHI SHIMBUN from Thailand, Foreign Minister Prasong Sunsiri said yesterday.

Action would also be taken against ASAHI SHIMBUN's agency in Bangkok, including the possibility of banning the newspaper's journalists from reporting in Thailand, Sqn Ldr [Squadron Leader] Prasong said.

He said action would be taken if the newspaper did not correct its reports or admit that its news had severely damaged the reputation of the Thai Government, the military and the people, he said.

The newspaper published reports which implicated the Thai military was involved with the failed coup in Cambodia early this month.

The Japanese daily subsequently printed denials by the Thai Foreign Ministry and the Army Secretariat but these were not deemed sufficient by Thai officials who wanted to see a retraction and apology.

Sqn Ldr Prasong said he was sorry ASAHI SHIMBUN had quoted information that caused damage to Thailand's reputation

He insisted the Government had the right to take action against the Japanese newspaper, countering an argument by Chat Thai MP for Ang Thong Niphon Wisityutthasat that banning the newspaper would block public access to information.

Prime Minister Chuan Likphai said controversy over the news reports could be settled if ASAHI SHIMBUN agreed to make corrections.

But if the newspaper declined, he agreed punishment would have to be enforced. The Prime Minister said he was waiting for the Foreign Ministry to officially propose punitive action.

Mr Chuan, who has been criticised for taking a defensive stand on Cambodian issues, said Thailand was no longer offensive towards Cambodia because the situation there had now changed.

Envoy Says Stronger Yen Good for Investment

BK1107035194 Bangkok BANGKOK POST in English 11 Jul 94 pp 21, 34

[By Tharani Kothandaphani]

[Text] The pace of Japanese investment in Thailand will increase, according to the country's ambassador, Takashi Onda.

"It is the U.S. dollar which has weakened against the yen, not the yen which has appreciated against other currencies," he says.

This makes Japanese products more expensive and is good news for Thai exporters. Japanese investment will begin to seek new areas of investment abroad, where the environment is more productive.

Some of these industries will choose Thailand as one of the areas of investment. Ultimately business will flow wherever it gets the best returns, he says.

"There are signs that high-tech supporting industries are coming in to Thailand."

The price of labour alone does not decide investment. It is based on factors such as infrastructure, political stability, reliability of economic policy and the abundance and quality of personnel.

As long as government policies are supportive and the Thai Government continues its policy of openness to foreign investors, Thailand will be attractive to Japanese investors, he says.

"We have been asking the Government of Thailand to have supportive policies."

According to statistics available from the Bank of Thailand, foreign direct investment from Japan in Thailand last year was 9277.4 million baht, making it the biggest element in this category of investment.

There is some concern about the trade gap, Mr Onda says. Last year, Japan's exports to Thailand were worth almost US$14 billion, while imports were about US$6 billion.

This is a result of the flow of Japanese investment to Thailand. Investment and the introduction of new technology to Thailand necessitates the import of Japanese machinery into Thailand, he says.

Capital equipment therefore forms the bulk of imports into Thailand. Although such imports lead to an imbalance in trade in the short term they will ultimately result in an increase in Thai manufactured exports to Japan.

"More than half of the exports to Japan from Thailand consist of manufactured goods and industrial materials," he says.

Further, 25 percent of Thai manufactured exports to Japan are from Japanese companies and joint ventures in Thailand.

The Socialists' participation in government in Japan has led to some concern in Thailand, particularly about the opening of the rice market in Japan. The Socialists earlier opposed this move.

"Imports of rice next year will depend on the rice crop in Japan this fall. But the quantity will not be as large as this year," he says.

Japan has bought 750,000 tonnes of rice from Thailand because of a bad crop in Japan last year.

"For the time being, the problem of the lack of rice has been solved," Mr Onda says.

Under the Uruguay Round of trade talks there will be a minimum access to the rice market.

"As long as Thai exporters can provide suitable rice, they can compete," he says.

Japan's budget for fiscal year 1994 will be announced on July 23. Tax reforms have been promised, including large tax cuts. Public spending will also be reviewed. An increase in this area will lead to an expansion of the economy.

"The government is committed to deregulation," Mr Onda says.

But there are some areas such as pharmaceuticals where a strict approach will affect imports. If it is too loose, it will affect consumers.

Japan's concerns, like those of others at the G-7 summit in Naples, include economic expansion and employment problems, he says.

Iranian Summoned Over 'Inappropriate' Remarks

BK0907103594 Bangkok THE NATION in English 9 Jul 94 p A3

[Text] The Foreign Ministry yesterday expressed "disappointment" over Iranian Ambassador Gholam Reza Yusefi's press conference, at which he claimed that three Iranians arrested in March for alleged involvement in a failed bomb plot were innocent.

The Iranian envoy on Wednesday also urged the Thai police to be more vigilant, more sensitive and more responsible to prevent the innocent from being used as scapegoats.

Ministry spokesman Suwit Simasakun told reporters that the ministry yesterday summoned the Iranian envoy.

The ministry's Director-General of South Asia, Middle East and Africa, Kriangsak Disisuk, was quoted as telling Yusefi that the ministry regarded his comments as interference in the Thai legal process and "seriously inappropriate".

According to the spokesman, the Iranian envoy expressed understanding and vowed to cooperate more with Thai authorities, but he did not apologize.

Yusefi claimed that the three detainees should be released if there was no substantive evidence against them. Thai police arrested the Iranians on suspicion that they were involved in the failed bomb plot against the Israeli Embassy in March.

Suwit said the envoy's claims against the Thai authorities' handling of the affair were regarded as "not supporting bilateral cooperation".

"Thai authorities have provided full cooperation with Iran since the Thai police arrested its people. It facilitated the envoy to meet the suspects on June 13 and allowed the suspects to appoint a lawyer. And police have been providing security for the envoy since March," said the spokesman.

The Iranians were arrested in connection with a truckload of explosives found abandoned near the Israeli Embassy in March after the vehicle was involved in a minor accident.

Deputy Prime Minister Amnuai Wirawan Resigns

BK0807162694 Bangkok Thai Color Television Channel 9 in Thai 1200 GMT 9 Jul 94

[Correspondent Report from the National Assembly in Bangkok—Live]

[Text] The most interesting political event today is the resignation of Deputy Prime Minister Amnuai Wirawan. Amnuai told reporters at the National Assembly that he has resigned from the post of deputy prime minister and from the New Aspiration Party [NAP] to set up a new political party.

Amnuai Wirawan said his resignation from the NAP was aimed at attaining comprehensive freedom in choosing his political future and launching a campaign to encourage highly-capable people to step in to create faith among the people, adding that the position of a deputy prime minister has set limits for serving the nation as a whole. Amnuai denied that his resignation has been triggered by a rift within the NAP. He said he wanted to set up a new political party.

[Begin recording] [Unidentified reporter] Is it true that some members of the Chat Thai Party will join your new party?

[Amnuai] I will inform the public later. [End recording]

Amnuai said he will diclose the name of his new party in the next few weeks. Meanwhile, he added that it is the duty of the prime minister and leader of the NAP to carry out the work. He did not deny the report that his new party will join hands with the NAP in the next general election, noting that his party will be friendly with all parties. A number of NAP members from the northeastern region will resign to join Amnuai's party.

No-Confidence Debate Against Cabinet Ministers

Opposition Targets Ministers

BK0907081394 Bangkok Radio Thailand Network in Thai 1200 GMT 8 Jul 94

[Text] Exercising the right stipulated in Article 150 of the 1991 Constitution, the opposition has decided to submit a motion for a no-confidence debate against certain cabinet ministers. The following cabinet ministers will be targeted for the debate: Deputy Prime Minister Bunchu Rotchanasathian, who is also the leader of the Phalang Tham Party; Interior Minister General Chawalit Yongchaiyut, leader of the New Aspiration Party; Foreign Minister Squadron Leader Prasong Sunsiri; and Communications Minister Colonel Winai Somphong.

Discussing the reasons for submitting the no-confidence motion against the ministers, opposition leader Banhan Sinlapa-acha said the following to newsmen after submitting the motion to house President Marut Bunnak at Parliament:

[Begin Banhan recording] It is now clear that certain cabinet ministers in the government of Prime Minister Chuan Likphai have administered the country inefficiently and lack ability, knowledge, rationality, and legitimacy which has damaged national administration. They exploit the democratic system for self interest and the interests of their colleagues. Therefore, they should not be allowed to continue in their national administrative positions.

I and the undersigned deem that continued national administration by these cabinet ministers will damage the country as well as destroy the people's faith in democracy. Realizing the responsibilities and duties bestowed by the people upon the MP's to oversee national administration, we join to exercise the right under Article 105 of the 1991 Constitution to submit a motion for a general no-confidence debate against the following cabinet ministers:

1. Bunchu Rotchanasathian, deputy prime minister;
2. General Chawalit Yongchaiyut, interior minister;
3. Squadron Leader Prasong Sunsiri, foreign minister;
4. Colonel Winai Somphong, communications minister.

The reasons and other details will be explained during the House meeting. [end recording]

Concern Over Timing Noted

BK0907155994 Bangkok Thai Color Television Channel 9 in Thai 1200 GMT 9 Jul 94

[Text] Prime Minister Chuan Likphai has expressed his concern over the timing of a no-confidence debate against his ministers because the government will be fully occupied at the end of this month. He said Foreign Minister Squadron Leader Prasong Sunsiri, one of the four ministers targeted by the censure motions, will be busy with the ASEAN ministerial meeting. He added that everyone in the government will have been well prepared:

[Begin Chuan recording] The foreign minister will be in charge of taking care of our ASEAN guests. Representatives of many countries—including the U.S. secretary of state, I think—will be here. The U.S. secretary of state has reportedly requested a meeting with me. We will probably be busy. Moreover, the House session will be closed at that time. I will have to attend many functions marking the beginning of Buddhist Lent. The timetable has not yet been determined. We will have to work timing that is convenient to all parties. I will return to Bangkok on Monday. [end recording]

Uthai Views CSC Hesitance Over Restructuring

BK1207092794 Bangkok THE NATION in English 12 Jul 94 p B2

[Text] Commerce Minister Uthai Phimchaichon criticized the Civil Service Commission for its cautious reaction to his proposal to restructure the Commerce Ministry so that it supervises the country's trade activities based on geographical divisions such as those introduced in the Foreign Ministry.

"The world has changed towards economic globalization. The conflicts of ideologies, colonialism and militarism have subsided ... We must fight for market share for our products," Uthai told The Nation in an interview last week.

There was apparently no love lost between the minister and the Civil Service Commission over the idea of creating four departments to deal with commercial relations between Thailand and America, Europe, the Middle East and Africa, and the Asia-Pacific region.

He vowed to push to have a new structure ready for implementation at the Commerce Ministry by the end of the year.

The budget for the new departments has not yet been worked out. The Commerce Ministry currently has seven departments and a state enterprise, the Public Warehouse Organization.

The Foreign Ministry already has a new departmental structure based on geographical divisions, so that diplomats can become well versed in the areas they are assigned to. The initial attempt to implement this structure was also greeted with caution by the Civil Service Commission.

Uthai described his proposal as a means to mobilize an army of trade experts to go out to promote Thai exports.

"We must monitor the [trade] zones closely and the officials must know the market potential including consumer tastes and appropriate products. I think the Civil Service Commission does not understand this and is placing too much importance on the number of staff. I'm quite upset," he said.

Other sources said the Civil Service Commission did not object to the proposal but wanted more details. Uthai has since assigned academics to put the proposal together in writing.

A copy of the plan obtained by The Nation calls for a major restructuring of the ministry, including the transformation of the Office of the Permanent Secretary into a strong executive body to take a lead in policy matters. This Office would act as the supervisor of the various departments to ensure that they can meet policy objectives set by politically-appointed ministers.

The new structure also calls for centralization of the reports from various departments but the decentralization of decision making. The emphasis is to be place on regional specialization rather than product specialization. The command structure is designed under the strategic apex concept (see chart page BI).

The new departments are to expand trade, exports and economic cooperation in the area under their jurisdiction.

Uthai, who has now been in office for a year and nine months, said he was particularly impressed by the economic success of Germany and Japan.

He said the challenge ahead for Thailand's trade policy is to encourage competitive pricing and high quality production. With these goals in mind he has been influenced by the success of the low tariff policies of Singapore and Hong Kong.

"We cannot sell expensively. We must reduce the cost of raw materials," he said.

Uthai did not hide his frustration with the Finance Ministry with regard to tariff cuts for raw materials to make Thai exports more competitive. "It is not inevitable that we will get less tax revenue when we reduce taxes as greater sales earn more tax revenue," he said.

The minister also noted that world trade has entered a phase in which consumers are seeking hygienic and environmentally friendly products which Thailand must also strive to supply.

Vietnam

Condolences for DPRK Leader Reported

Leaders Pay Respects

BK1207025694 Hanoi VNA in English 1413 GMT 11 Jul 94

[Text] Hanoi VNA July 11—A delegation of the Central Committee of the Communist Party, the president, the Standing Committee of the National Assembly and the Government of Vietnam this morning went to the Democratic People's Republic of Korea Embassy here to pay a floral tribute to Mr Kim Il-song, general secretary of the Workers's Party of Korea Central Committee and DPRK president, who passed away on July 8.

The delegation was headed by Party General Secretary Do Muoi and Prime Minister Vo Van Kiet.

Party chief Do Muoi and P.M Vo Van Kiet made entries onto the mourners' book, describing the late president as a veteran revolutionary, the beloved leader of the Korean people, a well-known activist of the international communists and workers's movement and a close friend of the Vietnamese people.

They wrote :

'President Kim Il-song devoted all his life for independence, freedom and unification of his country, for socialism and happiness of the Korean people, making valuable contritutions to the development of the friendship and solidarity between Vietnam and Korea.

'President Kim Il-song's name and cause will live forever in the hearts of the Korean and Vietnamese peoples'.

The same day, delegation from the National Defence Ministry, Hanoi Party and People's Committees, the CPV CC External Relations Committee, the Foreign Ministry and mass organizations paid floral tributes to President Kim Il-song at the DPRK Embassy in Vietnam.

National Mourning Day Ordered

BK1107160694 Hanoi Voice of Vietnam Network in Vietnamese 1430 GMT 10 Jul 94

[Government announcement issued in Hanoi on 10 July]

[Text] To remember and to express condolences on the demise of Comrade Kim Il-song, general secretary of the Workers' Party of Korea and president of the Democratic People's Republic of Korea, an experienced revolutionary, a beloved leader of the Korean people, a famous activist of the international communist and workers' movements, and a close friend of the Vietnamese people, the Government of the Socialist Republic of Vietnam has decided that 17 July will be a day of national mourning.

All government offices are to fly the national flag at half mast, and all celebrations will be cancelled on that day.

Sino-Vietnamese Group on Tonkin Gulf Meets

BK1207030694 Hanoi Voice of Vietnam Network in Vietnamese 1430 GMT 11 Jul 94

[Text] The joint Sino-Vietnamese working group for the delineation of the Tonkin Gulf held its second round of talks in Beijing from 4-8 July in compliance with an agreement signed on 19 October 1993 between the Socialist Republic of Vietnam and the People's Republic of China on fundamental principles to be adopted to resolve territorial border issues and based on the results of its first round of talks.

The minutes of the meeting were signed by both sides on 8 July.

Tang Jiaxuan, deputy foreign minister and head of the Chinese delegation, hosted a reception that same day and chatted with members of the joint working group on the Tonkin Gulf. The reception was attended by Vietnamese Ambassador to China Dang Nghiem Hoanh.

The two sides unanimously decided that the third round of talks would be held in Hanoi in November 1994.

Reportage on Slovak Premier's Visit

Success of Visit Hailed

BK1207062594 Hanoi Voice of Vietnam Network in Vietnamese 2300 GMT 11 Jul 94

[Text] To mark the successful conclusion of Slovak Prime Minister Josef Moravcik's official friendship visit to our country, in today's issue, NHAN DAN carries an editorial entitled: "A New Stage of Development in Vietnamese-Slovak Friendly and Cooperative Ties." The editorial reads in part:

The Vietnamese and Slovak peoples have been bound together by traditional friendship and cooperation. In the framework of the federal state system in the past, the Slovak and Czech Republics have reserved their valuable support and assistance for the Vietnamese people's cause of national defense and construction and helped with the training of thousands of Vietnamese scientific- technical cadres and tens of thousands of Vietnamese workers. At present, Slovakia continues to help with the education and vocational training of many Vietnamese students and workers. It also creates favorable conditions for Vietnamese citizens to live and work there.

In their talks and meetings, high-level Vietnamese and Slovak leaders expressed satisfaction at changes for the better in bilateral relations and regarded the achievements of renovation and restructuring in Vietnam and Slovakia as very important premises for promoting bilateral cooperation. The two sides expressed the determination of the two governments and peoples to develop the strong points of traditional ties and take advantage of new conditions to further promote cooperation to ensure higher results for mutual benefit and in keeping with the potential and demand of each country. The two sides concured with the need to work out practical and effective measures to promote bilateral cooperation in the new stage.

Visit Concluded

BK1107155894 Hanoi Voice of Vietnam in English 1000 GMT 11 Jul 94

[Text] Slovakian Prime Minister Moravcik left Ho Chi Minh City on Monday concluding his visit to Vietnam. During his stay, the Slovakian prime minister and his delegation were received by Vietnamese General Secretary Do Muoi on Saturday. At the reception, the Slovakian prime minister highly valued the achievements made by Vietnam in the current process of renovation. He said that this visit of the Slovakian delegation would further consolidate the development of bilateral relations in the new stage and that Slovakia was ready to cooperate with Vietnam in the fields of common concern.

During the talks held between the Slovakian and Vietnamese prime ministers, the two sides expressed satisfaction at the development of bilateral ties after a period of suspension. The two prime ministers reaffirmed determination to step up bilateral cooperation in all fields in accordance with each other's potential and demand. On this occasion, cooperation agreements on commerce and public health were signed between the two countries.

President Receives Indonesian Defense Minister

BK1207082294 Hanoi VNA in English 0640 GMT 12 Jul 94

[Text] Hanoi VNA July 12—President Le Duc Anh received visiting Gen. Edi Sudrajat, Indonesian minister of national defence and security, and his entourage at the Thong Nhat Conference Hall in Ho Chi Minh City on Monday.

Speaking to the guests, President Anh described their visit as promotion of mutual understanding and friendship between the two peoples and Armies, thus contributing to strengthening cooperation, peace and friendship between Vietnam and Indonesia with a 'specious pearl which should be well preserved by the two peoples and their Armies'.

For his part, Gen. Sudrajat expressed his admiration for the Vietnamese people and their Army's heroism in their cause of national defence and construction.

Gen. Sudrajat and his entourage arrived in Hanoi on Sunday afternoon for a three-day official visit to Vietnam. In the evening they were feted by Defence Minister Gen. Doan khue.

During their stay Gen. Sudrajat and other Indonesian guests paid a floral tribute to President Ho Chi Minh at his mausoleum, and visited the Seventh Army Zone and several places of cultural and historical interest and economic establishments in Hanoi and Ho Chi Minh City.

Club Expected To Increase Trade With Singapore

BK1107160594 Hanoi Voice of Vietnam in English 1000 GMT 11 Jul 94

[Text] The launch of Vietnamese Business Club [VBC] in Singapore will further increase investment by Singaporean businessmen. Vietnam's Chairman of the State Committee for Cooperation and Investment Dau Ngoc Xuan said that Singapore was the sixth largest foreign investor in Vietnam and that the VBC would further help investors increase business and trade ties.

* Decree on National Defense Work Published

942E0062 Hanoi TAP CHI QUOC PHONG TOAN DAN in Vietnamese Apr 94 pp 95-100

[Full text of decree: "Government Decree on National Defense Work in Ministries, Ministry-level Organs, Government Organs, and Localities"]

[Text] Decree No 19/CP

Hanoi, 12 March 1994

Pursuant to Articles 44, 46, and 112 of the 1992 Constitution of the SRV;

Pursuant to the Law on Organization of the Government dated 30 September 1992;

In order to ceaselessly consolidate the all-people national defense to satisfy the task of defending the socialist fatherland in the new situation;

By recommendation of the Minister of National Defense,

THE GOVERNMENT DECREES:

Chapter I: Generalities
Article 1: The government holds unified management of national defense work on a nationwide scale in accordance with the law.
Article 2: Ministries, ministry-level organs, government organs, provincial people's committees, and people's committees of the municipalities subordinate to the central government must carry out the national defense work in accordance with the functions, tasks, and powers given to them.

Article 3: The national defense work in the ministries, ministry-level organs, government organs, and localities, which covers such fields as education, mobilization, organizing the people to do national defense work, building and protecting the national defense potential, preparing the country for being ready to successfully face any circumstances, defense of the fatherland, defense of the socialist system, and maintaining sovereignty and national security, is an important part of the state's overall national defense work.

Article 4: Ministries, ministry-level organs, government organs, provincial people's committees, and people's committees of the municipalities subordinate to the central government must closely coordinate their work with the Fatherland Front and people's mass organizations in organizing and carrying out the national defense work.

Chapter II: Tasks and Powers of Ministries, Ministry-level Organs, Government Organs, Provincial People's Committees, and People's Committees of the Municipalities Subordinate to the Central Government in Connection With National Defense Work

Article 5: Following are the tasks in connection with the national defense work of ministries, ministry-level organs, and government organs:
1. To closely combine economic and social development with consolidating national defense and security, to draft mobilization plans for their sector in order to be ready to satisfy the needs and tasks of defending the socialist fatherland under any circumstances.
2. To coordinate their work with localities in organizing the building of provinces and municipalities into strong defense areas.
3. To lead subordinate units in building self-defense forces and organizing active self-defense forces, building and managing the reserve force, doing recruiting and mobilizing work, and carrying out civil defense in accordance with guidance from the ministry of defense and local military organs.
4. To implement the policies on consolidating national defense and building the armed forces, and the army's rear-area policies.

Article 6: The Minister of National Defense is responsible for presiding over the coordination of work with other ministries and sectors to assist the prime minister in managing the state's national defense work; and lèads, guides, controls, and supervises provincial people's committees, people's committees of the municipalities subordinate to the central government, ministries, ministry-level organs, and government organs in regard to the national defense work.

The Minister of National Defense commands the armed forces and leads the recruiting and mobilizing work for the army and other national-defense work. In the course of his guiding and leading work, if he finds any work that does not conform to the state regulations on national defense work, he will have the powers to adjust and correct it, or to recommend that the prime minister resolve it.

The heads of ministries, ministry-level organs, and government organs carry out the national defense work in their sector, lead subordinate organs and units in carrying out the national defense work, and discover any problems and recommend ways to correct them and to make changes to the prime minister and national defense minister in order to ensure unified, synchronous, and effective leadership over the national defense work.

- The head of the State Planning Commission has these responsibilities:

a. To coordinate with the national defense minister in leading sectors and echelons toward drafting the national defense plans of localities and sectors and plans for mobilizing the national economy to serve national defense, and combining such plans and submitting them for government approval.

b. To coordinate with the national defense ministry in organizing implementation of issues having to do with combining the economy with national defense.

- The minister of finance is responsible for coordinating with the national defense minister in guiding, ensuring, and controlling the state budget plans in connection with national defense being carried out at the central level and in localities.

- The state general inspector is responsible for coordinating with inspectors of the national defense ministry and other sectors in carrying out periodic inspection of national defense work being done in localities, ministries, ministry-level organs, and government organs.

Article 7: Localities have these tasks in regard to national defense work:

1. To carry out national defense education in their areas.

2. To build provinces, municipalities, districts, and wards into strong defense areas to satisfy the defense needs in their areas and throughout the country under any circumstances.

3. To lead local armed forces in coordinating with the people's public security forces to maintain political security and social order and security.

4. To build local troops in appropriate numbers and with high quality, and strong militia and self-defense forces everywhere to serve as the hard-core force for provincial and municipal defense areas.

5. To take care of registration and management of mobilization resources and to build the reserve force, to do recruting and mobilizing work, and to ensure building and development of the people's army.

6. To implement all positions, policies, and laws in connection with consolidating national defense and building the army and the army's rear-area policies, and to mobilize human and material resources in the localities for the purpose of building and consolidating national defense and fighting to defend the fatherland.

Article 8: Chairmen of provincial people's committees and people's committees of the municipalities subordinate to the central government are responsible to the people's councils at their level and to the prime minister for leading the national defense work being carried out in their localities.

Chairmen of provincial people's committees and people's committees of the municipalities subordinate to the central government are to carry out their tasks and powers in regard to the national defense work in accordance with current laws.

Chapter III: Organization and Relationships in Connection With National Defense Work

Article 9: The State Planning Commission, Ministry of Finance and its National Defense-Security Department, Ministry of Education and Training and its National Defense Education Department, ministries, ministry-level organs, and government organs, on the basis of the needs of their national defense work, must assign cadres, specifically assigned or nonspecifically assigned, in their planning departments or in their equivalent organs to do national defense work.

Cadres assigned to do national defense work are selected by the organs in charge from their own body of cadres; or these organs can suggest that the ministry of national defense transfer officers to the work.

Article 10: The heads of military organs in provinces, municipalities subordinate to the central government, districts, wards, cities, and municipalities subordinate to provinces preside over and coordinate with sectors and mass organizations in serving as the staff of chairmen of the people's committees at their level to assist them in leading the national defense work and guiding and commanding the local armed force.

In villages and subwards, the state's basic units have their military command, the function and organization of which are specified in article 11 of the Statutes of Militia and Self-defense Forces, made public in conjunction with Decree No 29/HDBT, dated 29 January 1990, of the Council of Ministers (now the Government).

Article 11: The relationships between the ministry of national defense and other ministries, ministry-level organs, and government organs in connection with the national defense work are as follows:

- The Ministry of National Defense, once a year and in various periods, informs ministries, ministry-level organs, and government organs of the situation, enemy plots having to do with them, and tasks in connection with the national defense work.

- The Ministry of National Defense recommends the needs for combining the economy with national defense in strategic plans and long-term socioeconomic plans, and sets the needs in wartime to be submitted to the State Planning Commission, ministries, ministry-level organs, and government organs so as to allow the State Planning Commission to put them together and to recommend them to the prime minister as the level of requirement needed to satisfy the national defense needs in annual plans.

- The Ministry of National Defense guides and provides cadres with professional training, who are specifically assigned or nonspecifically assigned the national defense work in ministries, ministry-level organs, and government organs, and builds work relationships with these organs.

- Ministries, ministry-level organs, and government organs, once a year and in various periods, inform the national defense ministry of socioeconomic plans and important socioeconomic projects having to do with national defense.

As for the issues having a direct bearing on the national defense work, ministries, ministry-level organs, and government organs must exchange their ideas with the national defense ministry before submitting them to the government.

Ministries, ministry-level organs, and government organs, once a year, must bring to the attention of the national defense ministry the results of their doing the national defense work.

Article 12: The relationships between the ministry of national defense and provincial people's committees and people's committees of the municipalities subordinate to the central government in connection with the national defense work are as follows:

- On the basis of the plan of the national defense ministry serving as guidance, commanders of military regions assist the national defense minister in providing provincial and municipal people's committees with guidelines for development of their doing the national defense work; on a yearly basis, inform local people's committees of the situation and any enemy plots; and discuss with people's committees of different localities, in a unified manner, the issue of combining the economy with national defense.

- Provincial and municipal people's committees, once a year, inform the commander of their military region of any socioeconomic plans having to do with national defense. Military region commands and chairmen of provincial people's committees and people's committees of the municipalities subordinate to the central government, on a yearly basis, jointly organize interagency conferences to discuss the national defense work.

As for the matters having a direct bearing on national defense, people's committees must consult with military region commanders before reporting them to superior echelons.

- Local military organs must observe the system of asking for instructions and reporting to chairmen of people's committees at their level and superior military organs.

Article 13: Ministries, ministry-level organs, government organs, and provincial people's committees and people's committees of the municipalities subordinate to the central government must include in their annual and periodic reports to the government on various aspects of their work their own observations in regard to how their organs and localities carried out the national defense work.

Chapter IV: Procedures and Policies Regarding National Defense Work in Ministries, Ministry-level Organs, Government Organs, and Localities

Article 14: Expenditures for the national defense work in localities come from local budget. The ministry of finance, in coordination with the national defense ministry, must assist the government in determining the level of spending of funds from local budget to satisfy the needs for doing the national defense work in provinces and the municipalities subordinate to the central government each year.

Provincial people's committees and people's committees of the municipalities subordinate to the central government, in coordination with the Fatherland Front, encourage the people's mass organizations, economic organizations, social organizations, and the people to make contributions to such expenditures within their capacity to do so and in an appropriate form so as to support the local national defense-security budget.

Chairmen of people's committees at all levels are responsible for managing and using such contributions in a tightly controlled manner.

Expenditures for the national defense work in ministries, ministry-level organs, and government organs are covered by the state budget as it is appropriated annually to each organ.

State enterprises, collectives, and private citizens share in the expenditures for the national defense work in their unit.

Article 15: The state has specific procedures and policies in regard to building the armed forces and consolidating national defense; policies for the army rear areas; and policies granting material and spiritual benefits to cadres, soldiers, members of the militia and self-defense forces, and recruits for the reserve force during the time they are separated from productive work to undergo training and to do combat and combat-serving work; in the case they are injured or killed while fulfilling their military duties, special-benefit procedures based on state regulations will be applied.

State organs, economic organizations, social organizations, cadres, soldiers, members of the militia and self-defense forces, recruits for the reserve force, and the people having made outstanding achievements in fulfilling the task of consolidating national defense and defending the socialist fatherland will be considered for receiving commendations and rewards in accordance with state regulations.

Chapter V: Implementation Articles

Article 16: This decree takes effect on the day it is signed and replaces Directive 198, dated 16 July 1971, of the prime minister and Decree No 165/CP, dated 23 April 1981, of the council of ministers.

Article 17: The Minister of National Defense, in coordination with other ministries and the sectors concerned, is to issue guidelines for implementation of this decree.

Article 18: Ministers, heads of ministry-level organs, heads of government organs, and chairmen of provincial people's committees and people's committees of the municipalities subordinate to the central government are responsible for the implementation of this decree.

For the Government,
The Prime Minister
Signed: Vo Van Kiet

Australia

Keating Spokesman Comments on Kim Il-song

BK0907091994 Hong Kong AFP in English 0743 GMT 9 Jul 94

[Text] Canberra, July 9 (AFP)—Australia will keep a close watch on unfolding events on the Korean peninsula following the death of North Korean President Kim Il-song, a spokesman for Prime Minister Paul Keating said here Saturday.

"We will be watching events closely to see how the death will effect prospects for the resolution of the nuclear issue and relations between the North and South," Keating's spokesman said.

Australia has no official contact with North Korea [word indistinct] and minimal bilateral trade—although Pyongyang has been trying since early this year to restore diplomatic relations which it severed with Canberra 19 years ago.

Australian opposition trade spokesman Tim Fischer said Kim Il- song's death would add to problems in the region.

"His death adds to the complexity of the Korean peninsala and the particular problems with nuclear inspections," Fischer said.

"I cannot think of one good thing to say about the North Korean leader and therefore I will say no more."

Senior Australian officials have held a series of informal talks with North Korean officials in Jakarta and Bangkok since an approach came out of the blue from North Korea trying to restore diplomatic links at the end of last year.

However, Australia told North Korea it must start behaving like an international citizen by adhering to international nuclear safeguards before a restoration of relations would be considered.

Canberra also demanded further progress on the resumption of talks between the two Koreas and between Pyongyang and Washington as a precondition to establishing formal dialogue on Pyongyang's request.

Australian Trade Minister Bob McMullan is due to arrive in the South Korean capital Seoul on Sunday and his trade visit was expected to go ahead as planned, a government spokesman said.

Keating Urges DPRK To Choose Openness

LD1107104294 Melbourne Radio Australia in English 1000 GMT 11 Jul 94

[Text] Australia says North Korea's new leader must choose whether he wants to open up to the outside world. Australia's prime minister, Paul Keating, told a news conference in Canberra that Australia was watching developments in North Korea closely.

[Begin Keating recording] It seems by early signs that Kim Chong-il is succeeding to the leadership of North Korea. It seems also that the third round of talks between the United States and North Korea and the north-south leaders' summit is going to continue, if with a delay. So I think there's a choice here for North Korea, that's one of greater openness or taking the uncertain path of developing a nuclear capability and isolating itself from world opinion. So I hope they see advantages in the former rather than the latter. [end recording]

Russia Said To 'Inevitably' Be Part of APEC

BK1107134594 Sydney THE AUSTRALIAN FINANCIAL REVIEW in English 22 Jun 94 p 14

[By Peter Gill]

[Text] Russia would inevitably become a member of the Asia Pacific Economic Cooperation [APEC] forum as it became more economically engaged in the region, the minister for foreign affairs, Senator Evans, said yesterday. Senator Evans also said he had "some personal sympathy" for Russia's overtures to become involved in the APEC working group on energy but this was a matter for the broader APEC membership.

In response to questions over Russian ambitions to be a part of APEC, Senator Evans told a Senate Estimates Committee hearing yesterday that the current moratorium on new APEC membership was firmly in place until 1996. APEC leaders adopted the moratorium in November last year after agreeing to the admission of Mexico, Papua New Guinea, and Chile, taking the group's membership to 18.

He added: "There is no doubt that over time Russia will become a major player economically, as well as in political and strategic terms, in the Asia Pacific and I think there is an inevitability about Russian participation and membership in APEC. "But it is not really justified on the objective facts at the moment of the extent of [Russian] economic engagement and, in any event, the moratorium is there for a good reason—to enable APEC to consolidate," he said.

Senator Evans said that Russians had made a case for treating differently the APEC working group on energy one of 10 working groups involving senior APEC officials—because of Russia's significance as an energy producer in the region. He said this issue might need to be "revisited" and discussed with other APEC countries.

Reconnaissance Team To Study Cambodian Army

BK1107160994 Sydney THE AUSTRALIAN FINANCIAL REVIEW in English 24 Jun 94 p 13

[By Peter Gill]

[Text] The federal government is to send a reconnaissance team to Cambodia to assess the needs of the Cambodian army in response to overtures for Australian military assistance. The minister for defense, Senator Ray, made the offer when he met the commander-in-chief of the Royal Cambodian Armed Forces, General Ke Kimyan, in Canberra yesterday.

A spokesman for Senator Ray said the minister and the general discussed Cambodia's military needs, which were described as involving training and clothing. Senator Ray gave no commitments of further assistance beyond the mine clearance training already underway in Cambodia but said Australia was prepared to send a small team to Cambodia to assess the country's needs. It is not known when the reconnaissance team will visit.

Cambodia's King Norodom Sihanouk generated a policy dilemma for the federal government in April with a specific request for weaponry and other military aid to help the government's campaign against the Khmer Rouge guerrillas. But the government may be able to avoid the sensitive issue of weaponry as it now appears to be moving off Cambodia's request list. Gen. Ke Kimyan apparently talked yesterday only in terms of training and clothing needs.

The general was also meeting the minister for foreign affairs, Senator Evans, last night. Earlier, Senator Evans told THE AUSTRALIAN FINANCIAL REVIEW the government was "sympathetic to the need to give some additional assistance, to get the armed forces into some sort of working shape—which means, basically, more training and institutional support".

"I don't think there is a great deal of belief that it would assist anybody very much for us to be supplying lethal material," he said. Senator Evans said the problems in Cambodia arose from "a larger problem of governance" and there was "a degree of anxiety" over the developments of the past three months. "What I think needs to happen ... is a major effort to be made with the Cambodians to help them get back on track in terms of effective government and effective institution building," he said.

Trade Minister To Leave for ROK, Japan

BK0807063894 Melbourne Radio Australia in English 0500 GMT 8 Jul 94

[Text] Australian trade minister, Bob McMullan, leaves this weekend for the Republic of Korea and then to Japan. His trip to Japan comes only days after the Japanese Government decided to increase cash incentives for Japanese for rice growers. Camille Funnell reports those concerned the move could signal a move back to protectionism in Japan.

[Begin recording] [Funnell] Australian rice grower representatives in Japan believe the move flies in the face of commitment that Japan would cut the level of assistance to its heavily subsidized rice farmers. Senator McMullan says he'll raise the issue, but he says it is too early to say whether it signals a swing back to protectionism in Japan.

[McMullan] Basically, it's a matter of principle. We are not sympathetic to those sorts of approaches but I want to see more details before I respond and certainly before I interpreted as some sort of new wave of a Japanese policy. We (?constantly) expect them to comply with the Uruguay Round obligations, and they say they will. [end recording]

Officials Say Budget Deficit at $13.7 Billion

BK1107084094 Hong Kong AFP in English 0822 GMT 11 Jul 94

[Text] Canberra, July 11 (AFP)—Australia's preliminary budget deficit for the 1993-94 fiscal year ending June 30 was 13.7 billion dollars (10 billion US), compared the most recent forecast of 13.6 billion dollars, the government said Monday.

The deficit for the previous year was 14.6 billion dollars.

A joint statement by Treasurer Ralph Willis and Finance Minister Kim Beazley said the deficit represented 3.2 percent of gross domestic product (GDP) compared to 3.6 percent for the 1992-93 fiscal year.

The 1993-94 deficit was 80 million dollars above the estimate presented in the May 10 budget, but remained unchanged as a proportion of GDP.

"This confirms the deficit estimate for 1994-95 made at budget time this year," they said.

Outlays and revenue had fallen as a percentage of GDP compared to 1992-93, with revenue collections at the lowest percentage of GDP since the early 1970s.

The real growth in outlays of 2.7 percent was the lowest since 1989/90.

Outlays for 1993/94 were 114.15 billion dollars and revenues were 100.48 billion.

The ministers said the preliminary outlays outcome for 1993/94 was about 360 million dollars lower than the revised estimate included in the 1994/95 budget, mainly due to lower than expected outlays in the areas of health, labour and employment and administrative services.

"Lower outlays in these areas were largely due to delays in implementation of programs, less than expected take-up of government subsidies and places in government funded labour and employment programs and lower government purchases of goods and services," they said.

Revenue was down 440 million dollars compared to estimates in the 1994/95 budget papers, largely because of lower than expected collections of company tax, excise duty, gross pay and customs duty, they said.

Papua New Guinea

Prime Minister Offers To Meet BRA Leadership

BK1007133094 Melbourne Radio Australia in English 1100 GMT 10 Jul 94

[Text] Papua New Guinea's [PNG] prime minister, Paias Wingti, has made a surprise offer to meet leaders of the Bougainville Revolutionary Army [BRA].

A government spokesman in Port Moresby says Mr. Wingti is prepared to meet the BRA leadership when he passes through the Solomon Islands' capital, Honiara on Tuesday [12 July]. The spokesman said Mr. Wingti had said that he wanted to meet the BRA representatives. Talks planned between both sides were canceled three weeks ago. At the time, the deputy prime minister, Sir Julius Chan, insisted that the PNG government would talk only to the leadership of the rebels instead of their international representatives who had been involved in initial peace talks.

Bougainville interim government representative, Mike Foster, says the BRA leaders would definitely not meet with Mr. Wingti in Honiara on Tuesday. Mr. Foster accused the Port Moresby Government of trying to derail the existing mechanisms for negotiating peace to end the six-year-old secessionist struggle on Bougainville Island.

Firms Instructed To Send Tax to Cayman Islands

BK1207004194 Sydney THE AUSTRALIAN FINANCIAL REVIEW in English 27 Jun 94 p 1

[By Rowan Callick]

[Text] The Papua New Guinea [PNG] government has instructed all mining and oil companies operating in the country to pay future taxes to a nominee company in the Cayman Islands tax haven. The companies—which include BHP, Placer Pacific, MIM and Renison Goldfields and which in 1993 produced revenue for PNG of 1.7 billion kina ($2.57 billion), 73 percent of all foreign earnings—are reluctant to accede to this extraordinary arrangement until further explanation is provided. The ownership of the nominee company, Raggiana—after a bird of paradise—has not yet been revealed. The companies were given the instruction late last week in letters from the Secretary for Finance and Planning, Mr Gerea Aopi, and the director of the Internal Revenue Commission, Mr Nagora Bogan. The letters were accompanied by acknowledgment forms.

The companies are declining to return the forms until they have obtained legal advice. THE AUSTRALIAN FINANCIAL REVIEW has learnt that the government's unique proposal results from an overseas loan to help bridge PNG's fast-growing Budget deficit. And considerable pressure will now be brought to bear on the companies to comply, because the loan facility closes on Thursday. The accumulated 1990- 93 deficit was $1.2 billion, two-thirds of it unplanned. This year's deficit was originally forecast to be $360 million. Although trimmed by $75 million in a February mini-Budget, it is still expected by Port Moresby insiders to exceed $450 million—in part because of greatly increased spending on Bougainville. It took 20 months to finalize the $US90 million ($123 million) three-year loan, which was originally for the 1993 Budget. PNG had sought $US160 million, over five years.

But the loan syndicate, led by the Union Bank of Switzerland [UBS]—which has a branch in the Cayman Islands—would not consider pure sovereign risk borrowing, and insisted on collateral, via a lien against mining and oil earnings. At first, the State was to be the borrower, with repayments made from the Government-owned Mineral Resources Stabilization Fund, which receives all resources revenues. But this was ruled out, because it would have breached negative pledge clauses in existing loan agreements with the World Bank and the Bank of Tokyo.

The new structure involves setting up a trust, which will borrow from UBS and the other banks in the syndicate (from which ANZ dropped out last year) and disburse the proceeds to the State. In turn, the State has, in effect, sold its rights to receive taxes from resource projects of which the largest are the Porgera gold mine, the Ok Tedi copper mine, and the Kutubu oil field, involving most of Australia's major resource companies—to the value of the loan plus interest. The lien will be released once the loan is repaid. The interest rate has not been made public.

The Income Tax Act, which previously required all taxes to be paid in kina, has been amended to allow payment in foreign currency—with the Raggiana account apparently in mind. And the Mineral Resources Stabilization Fund Act, which previously ensured such revenues were "quarantined" to ensure their use was rationed over an extended period, to provide governments with funds into the future, also had to be amended earlier this month.

The minister for finance, Mr Masket Iangalio—who is visiting Canberra this week—told representatives of the banking syndicate at the loan signing in Port Moresby recently that there was "some disappointment" with the total amount. He said: "I don't think any of us realized that it would take so long or that so many complexities would arise ...

"I am convinced beyond any doubt, that through your participation in this facility, you will get to know us, and will be more than willing to continue the mutually beneficial relationship that will develop." Mr Iangalio said: "You will rest assured that we take care of our friends and allies." The other banks in the syndicate are Malaysian Banking Corporation, Kredietbank, Bank Bumiputra, Mitsubishi Trust, and Bank Brussels Lambert.

The opposition's finance spokesman, the former prime minister, Mr. Rabbie Namaliu, said the arrangement meant "using the assets of the people of PNG in an unacceptable way". "The financial affairs of this nation are handled on an ad hoc basis and in secrecy."

It is understood that Mr. Iangalio himself learnt about the Raggiana arrangement only after the mining and oil companies received their letters—which appear to make them third parties to the State's $123 million loan, and also call on them to pay their taxes to such other accounts, besides Raggiana, as Mr Bogan—the director of PNG's Internal Revenue Commission—may specify from time to time.

Mr. Iangalio has privately expressed his concerns.

'Negligible' Economic Growth Expected in 1994

BK1207010194 Sydney THE AUSTRALIAN FINANCIAL REVIEW in English 23 Jun 94 p 55

[Text] After three years of double digit growth, Papua New Guinea (PNG) is heading for negligible or negative growth in 1994 as resources investment slows. The non-mining sector, which provides incomes for the 80 percent of PNG's four million population that lives in rural areas, is smiling again after years in the doldrums, as prices pick up with the international economic revival. But the dividends from this revival will be too late to avert something of a Budget deficit crisis.

The secretary for finance and planning, Mr Gerea Aopi, said on Tuesday: "We cannot afford to continue incurring an unsustainable level of Budget deficits." Such deficits, which he described as "staggering", had diverted resources from development expenditure. Some departments were already over-spending their 1994 allocations, he said. And the 1995 forecasts did not look encouraging either.

The finance minister, Mr Masket Iangalio—who has brought a refreshingly blunt approach to the job, perhaps deriving from his banking background—is also publicly facing up to the country's problems. But he points back first, to lost opportunities in the late '80s, when the then prime minister, Mr Rabbie Namaliu, appeared to have made a virtue of necessity, restructuring the economy at the urging of the World Bank and IMF in the wake of the forced closure of the Bougainville copper mine.

Mr Namaliu's Budget cuts did not stick, however. Instead of resulting from a review of government functions, the cuts were applied as a percentage across the board—and even then, only on paper. In fact, spending increased—reflected in Budget deficits that have kept climbing. "We have in Melanesia," says Mr. Iangalio, "a style that keeps saying everything is going on fine. We are not honest with ourselves." Now, he is determined, he says, to get out of deficit budgeting, out of international debt, and out of printing money (which has boosted liquidity massively).

His predecessor as finance minister, Sir Julius Chan, said at the start of 1994 that the shackles of economic dependence were at last broken after almost 20 years of political independence. And he added: "As long as I am in government, PNG will never be placed in any situation where it was in danger of running out of foreign exchange reserves." But by mid-February the reserves had fallen to a negative $US75 million ($A [Australian dollars] 101.3 million), and Mr. Iangalio opted for a mini-Budget that restored some of the tax revenues slashed by Sir Julius only 15 months earlier. But this did not stem the country's problems, and Sir Mekere Morauta, the governor of PNG's central bank, the Bank of PNG, would be happier to see another mini-Budget now, even though the full 1995 Budget will be brought down in early November.

The contrast of PNG's current travails with its potential is extraordinary. It has access to a remarkable range of resources: minerals, oil, gas, 15 percent of the world's tuna, one of the biggest surviving stands of rain forest in the Asia-Pacific region, and large tracts of fertile, volcanic soil for tree crops and horticulture. And its population has access to land and thus, in theory, to subsistence affluence, obviating the need for government welfare. Exports grew 38 percent last year, when PNG enjoyed a $1.9 billion trade surplus. Inflation has been averaging 4.5 percent a year. However the Government's expansionary fiscal policy—boosted by bold tax cuts in the Budget for 1993, and by price support for the major export crops (coffee, cocoa, palm oil, copra) costing almost $150 million last year—combined with over-expenditure, produced an accumulated 1990-93 deficit of $1.2 billion, almost two-thirds of it unplanned.

This year's deficit was originally expected to be $360 million, although trimmed by $75 million by the February mini-Budget which pushed the top tax rate back up by 7 percent to 35 percent. Mr. Iangalio told the Cabinet at the time: "The central bank and my own department are in firm agreement that the nation's main macroeconomic policies have over recent years fallen well out of balance." And the World Bank, unimpressed with the continuing deficits, postponed the annual meeting of aid donors to PNG from May to December.

PNG faces the underlying problem that its recent hearty growth figures were fed almost entirely by the resources sector—mining and oil, with a surge last year of logs, exported at a rate three times beyond sustainability. And the UN forecasts PNG growth of just 0.3 percent this year, while Australia's Asia Pacific Economics Group anticipates a negative 1 percent. Manufacturing accounts for a mere $20 million of $1.8 billion new investments registered with the Investment Promotion Authority, dispelling hopes of paid jobs for most of the 50,000 annual labor market entrants; formal employment was virtually static last year. A survey by the Institute of National Affairs showed that 75 percent of the private sector anticipated no capital spending rise this year, 40 percent were operating below 75 percent capacity utilization, and half expected no growth in the next three years.

Exploration has meanwhile dropped sharply—from $420 million in 1990 to $130 million last year, raising questions as to how growth will be maintained. The 1994 Budget anticipates about $140 million receipts from the start of construction of the Lihir gold mine—now uncertain, following indecision about equity that is dramatized by a feud between Mr. Iangalio, who favors a public float, and the new mining minister, Mr. John Kaputin.

The prospects for a stock exchange being established this year—originally scheduled for August—are now also dim. The brokers were depending to fund their costly offices in Port Moresby on the Lihir underwriting—and on privatizations. But the communications minister, Mr. Martin Thompson, recently effectively signed away the most valuable privatization target—telecommunications—by granting a license, for free, to a Singaporean group without a track record in the industry. A principal in the group is the man who, as PNG's honorary consul in Singapore two years ago, set up a company to market all PNG's oil—but the deal lapsed with the ensuing election.

Sir Mekere points out that liquidity is "uncomfortably high, posing a threat to foreign exchange reserves and monetary stability", while lending languishes—due to a lack of confidence and of bankable projects. "You can't run a nation on expectations," he says. The Central Bank is meanwhile buying the forward contracts for foreign exchange made by the commercial banks for their major clients, to ensure it can keep paying the Government's overseas bills. And consultations have been held with the Reserve Bank of Australia for a possible standby facility. Earlier this month PNG gained some relief with the signing of a $US90 million offshore commercial loan over three years—secured against future resources revenues. But it had originally sought $US160 million over five. And the loan had to be secured against future resources revenues.

Mr. Iangalio told the representatives of the Union Bank of Switzerland, which led the syndicate (ANZ dropped out last year): "I don't think any of us realized that it would take so long or that so many complexities would arise." There is good news, however, in the resurgence of commodity prices: coffee up 103 percent in the year to May, timber 72 percent, cocoa 52 percent, copper and silver 20 percent each—more than compensating for the early slump in the oil price, now back above the Budget assumption of $US18 a barrel.

New Zealand

Soldiers Allege Improprieties for Somalia

BK1107033194 Hong Kong AFP in English 0317 GMT 11 Jul 94

[Text] Wellington, July 11 (AFP)—An army major alleged Monday that the New Zealand Government turned a profit on sending peacekeepers to Somalia by holding back on the soldiers' pay.

Defence Minister Warren Cooper has called for an urgent report in response to the allegation.

Major Simon Tregear said the government made a 4.1 million NZ dollar (2.4 million US dollar) profit from sending peacekeeping troops to Somalia, and soldiers saw nothing of a 1671.74 dollar-a-month bonus paid by the United Nations for each soldier.

Tregear said his troops should get decent pay "plus any funds paid by the UN for the soldiers.

Cooper said he knew nothing of a bonus, but "when you get soldiers overseas dealing with lots of other soldiers from other countries you're going to inevitably get talk about what soldiers from other countries are getting."

He said that it should also be considered that New Zealand has a lower cost of living than nations like France and Britain.

"We're not in the business of being involved in overseas peacekeeping to make money," he said.

"We're there to do a job.

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